United States Court of Appeals

for the Second Circuit

APPENDIX

76-4109

United States Court of Appeals

For the Second Circuit.

MATTHEW V. BYRNE and ELVIRA C. BYRNE,
Petitioners-Appellants,
against

COMMISSIONER OF INTERNAL REVENUE,
Respondent-Appellee.

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,
Petitioners-Appellants,
against

COMMISSIONER OF INTERNAL REVENUE,
Respondent-Appellee.

ON APPEAL FROM THE UNITED STATES TAX COURT.

B
P/S

APPENDIX.

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Washington, D. C. 20530

UNITED STATES COURT OF APPEALS
FILED
JUN 25 1976
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

THE REPORTER COMPANY, INC., Walton, N. Y. 13856—607 865-4181—1976

(9046)

PAGINATION AS IN ORIGINAL COPY

INDEX TO APPENDIX.

	Page
Docket Entries (Docket No. 3315-74)	1a
Docket Entries (Docket No. 3316-74)	4a
Decision (Docket No. 3315-74)	6a
Decision (Docket No. 3316-74)	8a
Petition (Docket No. 3315-74)	10a
Exhibit A, Attached to Petition (Docket No. 3315-74)	14a
Answer (Docket No. 3315-74)	19a
Petition (Docket No. 3316-74)	21a
Exhibit A, Attached to Petition (Docket No. 3316-74)	25a
Notice to Amend Petition (Docket No. 3316-74)	29a
Affidavit of Matthew V. Byrne in Support of Motion to Amend Petition (Docket No. 3316-74)	30a
Amended Page 4 of Petition, Attached to Affidavit of Matthew V. Byrne (Docket No. 3316-74)	33a
Answer to Petition as Amended (Docket No. 3316-74)	34a
Joint Motion to Consolidate (Docket Nos. 3315-74 and 3316-74)	36a
Findings of Fact and Opinion (Docket Nos. 3315-74 and 3316-74)	38a

Page

Stipulation of Facts (Docket Nos. 3315-74 and 3316-74) 55a

Joint Exhibits Attached to Stipulation of Facts:

1A. 62a

2B. 69a

3C. 75a

4D. 85a

5E. 98a

6F. 112a

7G. 125a

8H. 131a

9I. 138a

10J. 146a

11K. 149a

12L. 151a

13M. 155a

14N. 160a

15O. 165a

16P. 167a

17Q. 168a

18R. 174a

Proceedings Before Tax Court on March 17, 1975 . 175a

Matthew V. Byrne, Jr., Petitioner:

Direct 185a

Cross 192a

UNITED STATES COURT OF APPEALS,

FOR THE SECOND CIRCUIT.

- -X

MATTHEW V. BYRNE and ELVIRA C. BYRNE,

Petitioners-Appellants,

-against-

COMMISSIONER OF INTERNAL REVENUE,

Respondent-Appellee.

Docket No. 3315-74.

- -X

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,

Petitioners-Appellants,

-against-

COMMISSIONER OF INTERNAL REVENUE,

Respondent-Appellee.

Docket No. 3316-74.

ON APPEAL FROM THE UNITED STATES TAX COURT.

- -X

DOCKET ENTRIES (DOCKET NO. 3315-74).

DOCKET ENTRIES (DOCKET NO. 3315-74)

Date	Proceedings
1974	
May 13	PETITION FILED: FEE PAID May 13, 1974
May 20	ENTRY OF APPEARANCE by Matthew V. Byrne as counsel for Petr. filed.
June 20	REQUEST by Resp. for Trial at Buffalo, N.Y.
June 20	ANSWER by Resp. filed.
Dec. 16	NOTICE OF TRIAL on Mar. 17, 1975 at Buffalo, N.Y.
1975	
Feb. 24	ENTRY OF APPEARANCE by John J. Costello as counsel for petitioner.
Mar. 17	TRIAL, at Buffalo, NY before Judge Tannenwald. Jt. motion to consolidate Dkt. Nos. 3315-74 and 3316-74 for trial, briefing, and opinion-GRANTED. Stipulation of facts with exhibits attached filed. ORIGINAL BRIEFS DUE: May 15, 1975 REPLY BRIEFS DUE: June 16, 1975
	SUBMITTED TO JUDGE TANNENWALD
Apr. 2	TRANSCRIPT of March 17, 1975 received.
Apr. 7	TRANSCRIPT of March 17, 1975 received.
May 15	BRIEF for Petitioner filed.
May 15	BRIEF for Resp. filed.
May 30	REPLY BRIEF for Petitioner filed.
June 16	REPLY BRIEF for Resp., filed.
Dec. 3	FINDINGS OF FACT AND OPINION, Filed. Judge Tannewald. Decision will be entered under Rule 155.

DOCKET ENTRIES (DOCKET NO. 3315-74)

Date	Proceedings
1976	
Jan. 20	AGREED COMPUTATION, filed.
Jan. 22	DECISION entered, Judge Tannewald.
	APPELLATE PROCEEDINGS
Apr. 14	NOTICE OF APPEAL to U.S.C.A., Second Circuit, filed by Petrs.
Apr. 15	NOTICE of Fileing with copy of notice of appeal sent to Mr. Meade Whitaker, Chief Counsel.
Apr. 15	NOTICE, to parties, of assembling and date for transmission of the record.

DOCKET ENTRIES (DOCKET NO. 3316-74).

Date	Proceedings
1974	
May 13	PETITION FILED: FEE PAID May 13, 1974
May 20	ENTRY OF APPEARANCE by Matthew V. Byrne as counsel for Petr. filed.
June 20	MOTION by Petr. for leave to Amend Petition. (Embodying Amendment) (Affidavit of Matthew V. Byrne Attached)
July 2	REQUEST by Resp. for Trial at Buffalo, N.Y.
July 2	ANSWER TO PETITION AS AMENDED by Resp. filed.
Dec. 16	NOTICE OF TRIAL on Mar. 17, 1975 at Buffalo, N.Y.
1975	
Feb. 24	ENTRY OF APPEARANCE by John J. Costello as counsel for petitioner.
Mar. 17	TRIAL, at Buffalo, NY before Judge Tannenwald. Jt. motion to consolidate Dkt. Nos. 3315-74 and 3316-74 for trial, briefing, and opinion.- GRANTED. Stipulation of facts with exhibits attached filed. ORIGINAL BRIEFS DUE: May 15, 1975 REPLY BRIEFS DUE: June 16, 1975
	SUBMITTED TO JUDGE TANNENWALD
Apr. 2	TRANSCRIPT of March 17, 1975 received.
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May 15	BRIEF for Resp. filed.
May 30	REPLY BRIEF for Petitioner filed.
June 16	REPLY BRIEF for Resp. filed.

DOCKET ENTRIES (DOCKET NO. 3316-74)

Date	Proceedings
Dec. 3	FINDINGS OF FACT AND OPINION, Filed. Judge Tannenwald. Decision will be entered under Rule 155.
1976	
Jan. 20	AGREED COMPUTATION, filed
Jan. 22	DECISION entered, Judge Tannenwald.
	APPELLATE PROCEEDINGS
Apr. 14	NOTICE OF APPEAL to U.S.C.A., Second Circuit, filed by Petrs.
Apr. 15	NOTICE of Filing with copy of notice of appeal sent to Mr. Meade Whitaker, Chief Counsel.
Apr. 15	NOTICE, to parties, of assembling and date for transmission of record.

DECISION (DOCKET NO. 3315-74).

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE, Petitioners,	)	
v.	)	Docket No. 3315-74
COMMISSIONER OF INTERNAL REVENUE, Respondent.	)	

DECISION

Pursuant to the opinion of the Court filed December 3, 1975, and incorporating herein the facts recited in the respondent's computation as the findings of the court, it is

ORDERED and DECIDED: That there are deficiencies in income taxes due from the petitioners for the taxable years 1970, 1971 and 1972 in the amounts of $1,463.00, $820.00, and $1,525.00, respectively.

(Signed) THEODORE TANNENWALD, JR.
Judge.

Entered: JAN 22 1976

* * * * *

It is hereby stipulated that the foregoing decision is in accordance with the opinion of the Court and the respondent's computation, and that the Court may enter this decision,

DECISION (DOCKET NO. 3315-74)

without prejudice to the right of either party to contest the correctness of the decision entered herein.

John J. Costello

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: (Sgd) Stephen M. Miller
Stephen M. Miller
Assistant Regional Counsel
304 U.S. Courthouse
Niagara Square
Buffalo, New York 14202

Tel. No. (716)842-3655 (JDS)

Date: JAN 15 1976

DECISION (DOCKET NO. 3316-74).

UNITED STATES TAX COURT

GORDON P. SCHOPFER and RHONDA F. SCHOPFER, Petitioners,	)	
v.	)	Docket No. 3316-74
COMMISSIONER OF INTERNAL REVENUE, Respondent.	)	

DECISION

Pursuant to the opinion of the Court filed December 3, 1975, and incorporating herein the facts recited in the respondent's computation as the findings of the court, it is

ORDERED and DECIDED: That there are deficiencies in income taxes due from the petitioners for the taxable years 1970, 1971 and 1972 in the amounts of $1,702.00, $900.00, and $1,022.00, respectively.

(Signed) THEODORE TANNENWALD, JR.

Judge.

Entered: JAN 22 1976

* * * * *

It is hereby stipulated the the foregoing decision is in accordance with the opinion of the Court and the respondent's computation, and that the Court may enter this decision,

without prejudice to the right of either party to contest the correctness of the decision entered herein.

John J. Costello

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: (Sgd) Stephen M. Miller

Stephen M. Miller
Assistant Regional Counsel
304 U.S. Courthouse
Niagara Square
Buffalo, New York 14202

Tel. No. (716)842-3655 (JDS)

Date: JAN 15 1976

PETITION (DOCKET NO. 3315-74).

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE, Petitioners,	:	
vs.	:	DOCKET NO. _____
COMMISSIONER OF INTERNAL REVENUE, Respondent.	:	

PETITION

The petitioners hereby petition for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency AU:R, dated February 20th, 1974, and as the basis for the petitioners' case, it is alleged as follows:

1. The petitioners herein are individuals, being husband and wife with their legal residence now at 144 Stanwood Lane, Manlius, New York 13104; the returns for the periods here involved were filed in the office of the Internal Revenue Service at Buffalo, New York.

2. The notice of deficiency (a copy of which, including so much of the statement and schedules accompanying the notice as are material, is attached hereto and marked Exhibit A.) was mailed to your petitioners or February 20th, 1974, and was

PETITION (DOCKET NO. 3315-74)

issued by the Office of the Internal Revenue Service at the City of Buffalo, State of New York.

3. The deficiencies as determined by the Commissioner are for income taxes for the following calendar years in the following amounts:

1970----------$1,463.00

1971----------$ 820.00

1972----------$1,525.00

For the total amount of $3,808.00 of which approximately $3,000.00 is in dispute.

4. The determination of tax set forth in the said notice of deficiency is based upon the following errors:

A) For each of the taxable years in question, it is contended that it was error on the part of the Commissioner of Internal Revenue to disallow accelerated depreciation claimed on a building owned by a partnership of which one of the petitioners was a partner and to thereby limit depreciation available to the petitioners to the straight line method.

B) For each of the taxable years in question, it is contended that it was error on the part of the Commissioner of Internal Revenue to establish the depreciable life of such building at a 40-year period.

5. That the facts upon which the petitioners rely as the basis of their case, are as follows:

A) In June of the year 1969, the stockholders,

directors and officers of Warron Properties, Ltd. entered into an agreement to dissolve and liquidate such corporation; to form a partnership; and to thereupon transfer the assets of the dissolved corporation (part of such assets being the aforesaid building) to the newly created partnership; such agreement, dissolution and transfer was thereafter in fact carried out. Section 167 (j) of the Tax Reform Act of 1969, provided, in part, that as to property acquired after July 24th, 1969, by a taxpayer, not the original user (which would be the partnership in this case) the 150 percent method of accelerated depreciation would be available (to the partnership in this case) if the acquisition (by the partnership) was pursuant to a contract for the acquisition of such property which was on July 24th, 1969, and at all times thereafter, binding upon the parties. It is contended that a validly binding contract of agreement for the acquisition of the property consisting of the building by the partnership was in effect prior to July 24th, 1969, and that the use thereof of accelerated depreciation by the partnership was proper and legal.

B) It is contended that by reason of the nature of the construction of such building and the use to which it is and has been put, that its useful depreciable life was, in fact, 33 1/3 years rather than the 40 years depreciable life established by the Commissioner of Internal Revenue in his notice of deficiency.

PETITION (DOCKET NO. 3315-74)

WHEREFORE, your petitioners pray that the Tax Court of the United States redetermine the taxable status of the petitioners herein for the years in question, and that the notice of deficiency herein of the Commissioner of Internal Revenue covering the years in question be annulled and be declared to be without force or effect, and that a judgment and determination be made on behalf of the petitioners herein to the effect that there exists no deficiency for income taxes concerning the petitioners herein for the taxable years set forth herein.

DATED: May 9th, 1974

Matthew V. Byrne, Petitioner

Elvira C. Byrne, by Counsel

Matthew V. Byrne
Attorney at Law
Office and P.O. Address
499 Warren Building
Syracuse, New York 13202
Telephone No. (315) 474-6448

EXHIBIT A, ATTACHED TO PETITION

(DOCKET NO. 3315-74).

(See following pages.)

Address any reply to:

15a **Department of the Treasury**

111 West Huron Street
Buffalo, New York 14202

District Director

Internal Revenue Service

Date: FEB 2 0 1974

In reply refer to: AU:R
TEL: 842-2702

▷ Mr. Matthew V. Byrne and
Mrs. Elvira C. Byrne (Husband and Wife)
206 Twin Hills Drive
Syracuse, New York 13204

—— Dear Mr. and Mrs. Byrne:

Tax Year Ended:		Deficiency:
	1970	$1,463.00
	1971	$ 820.00
	1972	$1,525.00

This letter is a NOTICE OF DEFICIENCY—as required by law—that we have determined the income tax deficiencies shown above, I regret we have been unable to reach a satisfactory agreement in your case. The enclosed statement shows how the deficiencies were computed.

If you do not intend to contest this determination in the United States Tax Court, please sign and return the enclosed waiver form. This will permit an early assessment of the deficiencies and limit the accumulation of interest. The enclosed self-addressed envelope is for your convenience.

If you decide not to sign and return the waiver, the law requires that after 90 days from the date of mailing this letter (150 days if this letter is addressed to you outside the United States and the District of Columbia) we assess and bill you for the deficiencies. However, if within the time stated you contest this determination by filing a petition with the United States Tax Court, Box 70, Washington, D.C. 20044, we may not assess any deficiencies and bill you until after the Tax Court has decided your case. You may obtain a copy of the rules for filing a petition by writing to the Clerk of the Tax Court at the Court's Washington, D.C. address.

If you intend to file a petition with the United States Tax Court, you must do so within the time stated above (90 or 150 days, as the case may be); this period is fixed by law, and the Court cannot consider your case if your petition is filed late.

Sincerely yours

Donald C. Alexander
Commissioner
By

H. B. Mosher
District Director
H. B. Mosher

Enclosures:
Statement
Waiver, Form 870
Envelope
db

Form L-21 (Rev. 3-73)

FORM 3611 (REV. MAR. 1970)	INDIVIDUAL INCOME TAX 16a	STATEMENT SCHEDULE

NAME: Matthew V. and Elvira C. Byrne

	TAXABLE YEARS ENDED 1970	1971	1972
TAXABLE INCOME OR ADJUSTED GROSS INCOME AS SHOWN IN: [X] RETURN AS FILED [ ] PRELIMINARY LETTER DATED [ ] STATUTORY NOTICE DATED	$12,702.00	$ 8,626.00	$33,695.00
INCREASES (DECREASES) IN INCOME: *(See attached explanation of items)*			
A) Income - Warron Properties Co.	4,191.00	3,720.00	3,242.00
B) Constructive Dividend	-	-	600.00
C) Sch. D - Liquidating Dividend	719.00	-	-
D) Income - Byrne, Costello and O'Brien	600.00	-	-
E) Sales Taxes	(58.00)	(33.00)	-
TAXABLE INCOME AS REVISED ~~OR XXXXXXXXXXXXXXXXXXXXXXXX~~	18,154.00	12,313.00	37,537.00
TAX COMPUTATION — TAX (1972 - Income Averaging)	3,863.00	2,338.00	10,665.00
TAX SURCHARGE	97.00		
TAX PLUS SURCHARGE	3,960.00	2,338.00	10,665.00
LESS: TAX CREDITS			
SUBTOTAL	3,960.00	2,338.00	10,665.00
ADD: SELF-EMPLOYMENT TAX	538.00		
TAX FROM RECOMPUTING PRIOR YEAR INVESTMENT CREDIT			
TAX LIABILITY	4,498.00	2,338.00	10,665.00
LIABILITY PREVIOUSLY ASSESSED	3,035.00	1,518.00	9,140.00
DEFICIENCY *(Overassessment)*	1,463.00	820.00	1,525.00

FORM 886-A (REV. APRIL 1968)	17a EXPLANATION OF ITEMS	SCHEDULE NO. OR EXHIBIT
NAME OF TAXPAYER		YEAR/PERIOD ENDED
Matthew V. and Elvira C. Byrne		1970, 1971 and 1972

A) It is determined that adjustments made to Warron Properties Company of which you are a partner increase your income in the following manner:

Accelerated depreciation claimed on a building owned by the partnership is not allowable since the used building was acquired as a distribution upon dissolution of a corporation. Section 167(c) of the Internal Revenue Code. Accordingly, straight line depreciation is being allowed.

	Claimed	Depreciation Allowed(40Yrs)	Partnership Adjustment	Each Partners Share
1970	$50,295.00	$33,530.00	$16,765.00	$4,191.00
1971	48,409.20	33,530.00	14,879.20	3,720.00
1972	46,593.10	33,530.00	13,063.10	3,266.00

B) It is determined that personal expenses paid on your behalf by Professional Corporation, Byrne, Costello and O'Brien constitute income to you in the amount of $600.00 in 1972.

C) It is determined that you realized a taxable gain upon the liquidation of the Warron Properties, LTD., Corporation in 1970 in the amount of $1,438.47. Since this represents a capital gain, only 50% or $719.00 is taxable.

D) It is determined that personal auto expenses in the amount of $600.00 in 1970 constitute your share of unallowable deductions taken on 1970 partnership return of Byrne, Costello and O'Brien.

FORM 886-A (REV APRIL 1968)	18a EXPLANATION OF ITEMS	SCHEDULE NO. OR EXHIBIT
NAME OF TAXPAYER Matthew V. and Elvira C. Byrne		YEAR/PERIOD ENDED 1970, 1971 and 1972

E) It is determined that as a result of the above adjustments for the years 1970 and 1971 the allowable sales tax deduction per the table figure is increased by $58.00 and $33.00, respectively.

* GPO : 1971 O - 108-138

ANSWER (DOCKET NO. 3315-74).

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE,	)	
Petitioners,	)	1974 JUN 20 PM 3 [illegible]
vs.	)	Docket No. 3315-74
COMMISSIONER OF INTERNAL REVENUE,	)	UNITED STATES TAX COURT
Respondent.	)	

ANSWER

THE RESPONDENT, in answer to the petition filed in the above-entitled case, admits, denies, and alleges as follows:

1. and 2. Admits the allegations of paragraphs 1. and 2. of the petition.

3. Admits the allegation of the first sentence of paragraph 3. of the petition; denies the remaining allegation of paragraph 3. of the petition. Alleges that the entire amount of the deficiencies is not in dispute.

4.A) and B). Denies the allegations of error contained in paragraphs 4.A) and B). of the petition.

5.A) and B). Denies the allegation of paragraph 5.A) and B) of the petition.

SERVED JUN 21 1974

ANSWER (DOCKET NO. 3315-74)

6. Denies generally each and every allegation of the petition not hereinbefore specifically admitted, qualified or denied.

WHEREFORE, it is prayed that the deficiencies determined by the respondent be in all respects approved.

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: (Sgd) Stephen M. Miller
Stephen M. Miller
Assistant Regional Counsel

Date: JUN 17 1974

OF COUNSEL:

MARVIN E. HAGEN
Regional Counsel
JOHN D. STEELE, JR.
Attorney
Internal Revenue Service
304 U.S. Courthouse
Niagara Square
Buffalo, New York 14202

Tel. No. 716-842-3655

PETITION (DOCKET NO. 3316-74).

UNITED STATES TAX COURT

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,	:	
Petitioners,	:	
vs.	:	DOCKET NO. _____
COMMISSIONER OF INTERNAL REVENUE,	:	
Respondents.	:	

PETITION

The petitioners hereby petition for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency AU:R, dated February 20th, 1974, and as the basis for the petitioners' case, it is alleged as follows:

1. The petitioners herein are individuals, being husband and wife with their legal residence now at 1220 Comstock Avenue, Syracuse, New York 13210; the returns for the periods here involved were filed in the office of the Internal Revenue Service at Buffalo, New York.

2. The notice of deficiency (a copy of which, including so much of the statement and schedules accompanying the notice as are material, is attached hereto and marked Exhibit A.) was mailed to your petitioners on February 20th, 1974, and was

PETITION (DOCKET NO. 3316-74)

issued by the Office of the Internal Revenue Service at the City of Buffalo, State of New York.

3. The deficiencies as determined by the Commissioner are for income taxes for the following calendar years in the following amounts:

1970----------$1,702.00

1971----------$ 900.00

1972----------$1,022.00

For the total amount of $3,624.00 of which all is in dispute.

4. The determination of tax set forth in the said notice of deficiency is based upon the following errors:

A) For each of the taxable years in question, it is contended that it was error on the part of the Commissioner of Internal Revenue to disallow accelerated depreciation claimed on a building owned by a partnership of which one of the petitioners was a partner and to thereby limit depreciation available to the petitioners to the straight line method.

B) For each of the taxable years in question, it is contended that it was error on the part of the Commissioner of Internal Revenue to establish the depreciable life of such building at a 40-year period.

5. That the facts upon which the petitioners rely as the basis for their case, are as follows:

A) In June of the year 1969, the stockholders,

directors and officers of Warron Properties, Ltd. entered into an agreement to dissolve and liquidate such corporation; to form a partnership; and to thereupon transfer the assets of the dissolved corporation (part of such assets being the aforesaid building) to the newly created partnership; such agreement, dissolution and transfer was thereafter in fact carried out. Section 167 (j) of the Tax Reform Act of 1969, provided in part, that as to property acquired after July 24th, 1969, by a taxpayer, not the original user (which would be the partnership in this case) the 150 percent method of accelerated depreciation would be available (to the partnership in this case) if the acquisition (by the partnership) was pursuant to a contract for the acquisition of such property which was on July 24th, 1969, and at all times thereafter, binding upon the parties. It is contended that a validly binding contract of agreement for the acquisition of the property consisting of the building for the partnership was in effect prior to July 24th, 1969, and that the use thereof of accelerated depreciation by the partnership was proper and legal.

B) It is contended that by reason of the nature of the construction of such building and the use to which it is and has been put, that its useful depreciable life was, in fact, 33 1/3 years rather than the 40 years depreciable life established by the Commissioner of Internal Revenue in his notice of deficiency.

PETITION (DOCKET NO. 3316-74)

WHEREFORE, your petitioners pray that the Tax Court of the United States redetermine the taxable status of the petitioners herein for the years in question, and that the notice of deficiency herein of the Commissioner of Internal Revenue covering the years in question be annulled and be declared to be without force or effect, and that a judgment and determination be made on behalf of the petitioners herein to the effect that there exists no deficiency for income taxes concerning the petitioners herein for the taxable years set forth herein.

DATED: May ___, 1974.

Gordon P. Schopfer, by Counsel

Rhonda F. Schopfer, by Counsel

Matthew V. Byrne
Attorney at Law
Office and P.O. Address
499 Warren Building
Syracuse, New York 13202
Telephone No. (315) 474-6448

EXHIBIT A, ATTACHED TO PETITION

(DOCKET NO. 3316-74).

(See following pages.)

Address any reply to:

26a **Department of the Treasury**

111 West Huron Street
Buffalo, New York 14202

District Director

Internal Revenue Service

Date: FEB 20 1974

In reply refer to: AU:R
Tel. 842-2702

Mr. Gordon P. Schopfer and
Mrs. Rhonda F. Schopfer (Husband and Wife)
1220 Comstock Avenue
Syracuse, New York 13210

Dear Mr. and Mrs. Schopfer:

Tax Year Ended:	Deficiency:
1970	$1,702.00
1971	$ 900.00
1972	$1,022.00

This letter is a NOTICE OF DEFICIENCY—as required by law—that we have determined the income tax deficiencies shown above, I regret we have been unable to reach a satisfactory agreement in your case. The enclosed statement shows how the deficiencies were computed.

If you do not intend to contest this determination in the United States Tax Court, please sign and return the enclosed waiver form. This will permit an early assessment of the deficiencies and limit the accumulation of interest. The enclosed self-addressed envelope is for your convenience.

If you decide not to sign and return the waiver, the law requires that after 90 days from the date of mailing this letter (150 days if this letter is addressed to you outside the United States and the District of Columbia) we assess and bill you for the deficiencies. However, if within the time stated you contest this determination by filing a petition with the United States Tax Court, Box 70, Washington, D.C. 20044, we may not assess any deficiencies and bill you until after the Tax Court has decided your case. You may obtain a copy of the rules for filing a petition by writing to the Clerk of the Tax Court at the Court's Washington, D.C. address.

If you intend to file a petition with the United States Tax Court, you must do so within the time stated above (90 or 150 days, as the case may be); this period is fixed by law, and the Court cannot consider your case if your petition is filed late.

Sincerely yours

Donald C. Alexander
Commissioner

By

H. B. Mosher
District Directo.
H. B. Mosher

Enclosures:
Statement
Waiver, Form 870
Envelope
sl

Form L-21 (Rev. 3-73)

FORM 3611 (REV. MAR. 1970)	INDIVIDUAL INCOME TAX 27a	STATEMENT SCHEDULE

NAME: Gordon P. and Rhonda F. Schopfer

	TAXABLE YEARS ENDED 12/31/70	12/31/71	12/31/72
TAXABLE INCOME OR ADJUSTED GROSS INCOME AS SHOWN IN: ☒ RETURN AS FILED ☐ PRELIMINARY LETTER DATED ☐ STATUTORY NOTICE DATED	$29,053.00	$10,322.00	$19,194.00
INCREASES (DECREASES) IN INCOME: *(See attached explanation of items)*			
A) Income - Warron Properties Co.	4,191.00	3,720.00	3,266.00
B) Medical	-	112.00	98.00
C) Sales Tax	(25.00)	(29.00)	(70.00)
TAXABLE INCOME AS REVISED OR ADJUSTED GROSS INCOME AS REVISED	$33,219.00	$14,125.00	$22,488.00
TAX COMPUTATION — TAX	9,172.00	2,791.00	5,176.00
TAX SURCHARGE	229.00	-	-
TAX PLUS SURCHARGE	9,401.00	2,791.00	5,176.00
LESS: TAX CREDITS Investment Credit	-	21.00	-
SUBTOTAL	$ 9,401.00	$ 2,770.00	$ 5,176.00
ADD: SELF-EMPLOYMENT TAX	538.00	585.00	675.00
TAX FROM RECOMPUTING PRIOR YEAR INVESTMENT CREDIT	-	-	-
TAX LIABILITY	$ 9,939.00	$ 3,355.00	$ 5,851.00
LIABILITY PREVIOUSLY ASSESSED	8,237.00	2,455.00	4,829.00
DEFICIENCY (Overassessment)	$ 1,702.00	$ 900.00	$ 1,022.00

FORM 886-A (REV APRIL 1968)	28a EXPLANATION OF ITEMS	SCHEDULE NO. OR EXHIBIT
NAME OF TAXPAYER		YEAR/PERIOD ENDED
Gordon P. and Rhonda F. Schopfer		1970, 1971 and 1972

A) It is determined that adjustments made to Warron Properties Company of which you are a partner increase your income in the following manner:

Accelerated depreciation claimed on a building owned by the partnership is not allowable since the used building was acquired as a distribution upon dissolution of a corporation. Section 167(c) of the Internal Revenue Code. Accordingly, straight line depreciation is being allowed.

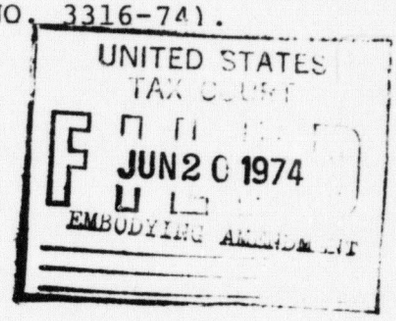
	Claimed	Depreciation Allowed(40Yrs)	Partnership Adjustment	Each Partners Share
1970	$50,295.00	$33,530.00	$16,765.00	$4,191.00
1971	48,409.20	33,530.00	14,879.20	3,720.00
1972	46,593.10	33,530.00	13,063.10	3,266.00

B) It is determined that the above adjustment for the years 1971 and 1972 raise the medical deduction limitations so that the allowable medical deductions are reduced by $112.00 and $98.00, respectively.

C) It is determined that as a result of the above adjustments for the years 1970, 1971 and 1972 the allowable sales tax deduction per the table figure is increased by $25.00, $29.00 and $70.00, respectively.

* GPO : 1971 O - 438-138

NOTICE TO AMEND PETITION (DOCKET NO. 3316-74).



UNITED STATES TAX COURT

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,	:	
Petitioners,	:	
-vs-	:	MOTION TO AMEND PETITION
COMMISSIONER OF INTERNAL REVENUE,	:	Docket No. 3316-74
Respondents.	:	

Upon the Affidavit of Matthew V. Byrne, attorney for the Petitioners, dated June 18, 1974, Petitioners hereby move before the United States Tax Court for an Order, in the discretion of the Court, granting permission to the Petitioners to amend their Petition by substituting a new page (4), which page (4) will bear the signature of the Petitioners, executed by their counsel.

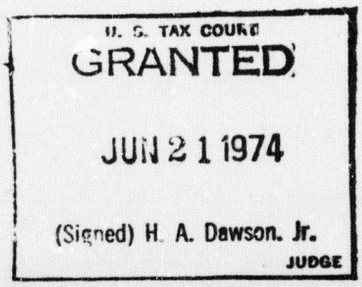
Respectfully requested,

DATED: June 18, 1974.

Matthew V. Byrne, Counsel for Petitioners
Attorney at Law
Office and P.O. Address
499 Warren Building
Syracuse, New York 13202
Telephone No. (315) 474-6448

TO: Chief Counsel
Internal Revenue Service
Washington, D.C. 20224

Regional Counsel
Internal Revenue Service
304 United States Courthouse
Niagara Square Station
Buffalo, New York 14202



AFFIDAVIT OF MATTHEW V. BYRNE IN SUPPORT OF MOTION TO AMEND PETITION (DOCKET NO. 3316-74).

UNITED STATES TAX COURT

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,	:	
Petitioners,	:	
-vs-	:	DOCKET NO. 3316-74
COMMISSIONER OF INTERNAL REVENUE,	:	
Respondents.	:	

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:
CITY OF SYRACUSE)

MATTHEW V. BYRNE, being duly sworn, deposes and says:

1. That I am an attorney at law duly admitted to practice as an attorney in the State of New York, and my offices are located at 499 Warren Building, Syracuse, New York, 13202.

2. That I am an attorney duly admitted to practice before the United States Tax Court.

3. That I have been retained by the petitioners in the above matter to represent them with respect to the filing of a Petition in the United States Tax Court, and on the petitioners' behalf, I filed a Petition in the United States Tax Court concerning deficiencies determined by the Commissioner of Internal Revenue for Income taxes for the calandar years 1970, 1971 and 1972.

AFFIDAVIT OF MATTHEW V. BYRNE IN SUPPORT OF MOTION TO AMEND PETITION (DOCKET NO. 3316-74)

4. Under date of May 9, 1974, under my direction, there was mailed by United States Postal Service to the United States Tax Court, in Washington, D.C., an original and four copies of the Petition in the above matter, together with check payable to the Clerk, United States Tax Court for the filing fees.

5. Thereafter, on May 13, 1974, your deponent received notification of receipt of papers from the Clerk of the Court, together with docket number assigned to the above matter.

6. That thereafter, on June 14, 1974, your deponent received information from the Office of the Regional Counsel, United States Treasury Department in Buffalo, New York, that the Petition and copies in the above matter filed in the United States Tax Court as above indicated, did not bear the signature of the petitioners nor their counsel, but in fact, the signature page was blank.

7. That your deponent as attorney for petitioners herein, is responsible for the preparation and filing of the Petition in this matter, and your deponent states that the original Petition and the copies thereof as filed did not bear the signature of the petitioners or their counsel by reason of an inadvertence on the part of your deponent.

8. That your deponent respectfully requests on behalf of the petitioners herein, that the petitioners be allowed to

AFFIDAVIT OF MATTHEW V. BYRNE IN SUPPORT OF MOTION TO AMEND PETITION (DOCKET NO. 3316-74)

amend their Petition and Pleading as filed, by inserting a new page (4) which amended page (4) will bear the signature of the petitioners executed by their counsel in accordance with the rules.

9. That attached hereto and made a part hereof are amended page (4) and copies thereof.

DATED: June 18, 1974.

Matthew V. Byrne

Sworn to before me this
18th day of June, 1974.

Notary Public

MARTHA M. McCONNELL (GRUER)
Notary Public in the State of New York
Qualified in Onon. Co. No. 34-2005775
My Commission Expires March 30, 19__

AMENDED PAGE 4 OF PETITION, ATTACHED TO AFFIDAVIT OF MATTHEW V. BYRNE (DOCKET NO. 3316-74).

-4-

WHEREFORE, your petitioners pray that the Tax Court of the United States redetermine the taxable status of the petitioners herein for the years in question, and that the notice of deficiency herein of the Commissioner of Internal Revenue covering the years in question be annulled and be declared to be without force or effect, and that a judgment and determination be made on behalf of the petitioners herein to the effect that there exists no deficiency for income taxes concerning the petitioners herein for the taxable years set forth herein.

DATED: May 8th, 1974.

Matthew V. Byrne, Counsel for
Gordon P. Schopfer

Matthew V. Byrne, Counsel for
Rhonda F. Schopfer

Matthew V. Byrne
Attorney at Law
Office and P.O. Address
499 Warren Building
Syracuse, New York 13202
Telephone No. (315) 474-6448

ANSWER TO PETITION AS AMENDED (DOCKET NO. 3316-74).

UNITED STATES
TAX COURT
FILED
JUL 2 1974

UNITED STATES TAX COURT

GORDON P. SCHOPFER and RHONDA F. SCHOPFER,

Petitioners,

vs.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

Docket No. 3316-74

ANSWER TO PETITION AS AMENDED

THE RESPONDENT, in answer to the petition as amended filed in the above-entitled case, admits and denies as follows:

1. through 3., inclusive. Admits the allegations of paragraphs 1. through 3. of the petition as amended.

4.A) and B) - Denies the allegations of error contained in paragraphs 4.A) and B) of the petition as amended.

5.A). Denies the allegations contain in the first and last sentence of paragraph 5.A) of the petition as amended. Neither admits nor denies the second sentence of paragraph 5.A) of the petition as amended on the grounds that it does not contain any factual allegations.

5.B) Denies the allegations of paragraph 5.B) of the petition as amended.

6. Denies generally each and every allegation of the petition as amended not hereinbefore specifically admitted, qualified or denied.

SERVED JUL 3 1974

ANSWER TO PETITION AS AMENDED (DOCKET NO. 3316-74)

WHEREFORE, it is prayed that the deficiencies determined by the respondent be in all respects approved.

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: (Sgd) John E. White
John E. White
Acting Assistant Regional Counsel

Date: JUN 27 1974

OF COUNSEL:

MARVIN E. HAGEN
Regional Counsel
JOHN D. STEELE, JR.
Attorney
Internal Revenue Service
304 U.S. Courthouse
Niagara Square
Buffalo, New York 14202

Tel. No. 716-842-3655

JOINT MOTION TO CONSOLIDATE (DOCKET NOS. 3315-74 AND 3316-74).

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE, Petitioners, v. COMMISSIONER OF INTERNAL REVENUE, Respondent.	Docket No. 3315-74
GORDON P. SCHOPFER and RHONDA F. SCHOPFER, Petitioners, v. COMMISSIONER OF INTERNAL REVENUE, Respondent.	Docket No. 3316-74

JOINT MOTION TO CONSOLIDATE

THE PARTIES JOINTLY MOVE that the above-entitled cases be consolidated for purposes of trial, briefing, and opinion.

IN SUPPORT THEREOF, the parties respectfully show unto the Court:

1. Both cases are calendared for trial at the session commencing at Buffalo, New York on March 17, 1975.

2. The only issue in dispute is substantially the same in each of the above-entitled cases, which will necessitate that the same evidence be introduced in each case. The peti-

tioners are partners and the issue in each case involves the determination of the distributable income (loss) of such partnership. The interests of the petitioners are not adverse.

3. The time of the Court and the parties will be materially conserved by the consolidation of these cases.

WHEREFORE, it is prayed that this motion be granted.

JOHN J. COSTELLO
Counsel for Petitioners
499 Warren Bldg.
Syracuse, N.Y. 13202
Tel. No. 315-474-6448

MAR 17 1975

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

By: Legal Stephen M. Miller
Stephen M. Miller
Assistant Regional Counsel

OF COUNSEL:

THEODORE E. DAVIS
Acting Regional Counsel
JOHN D. STEELE, JR.
Attorney
Internal Revenue Service
304 U.S. Courthouse
Niagara Square
Buffalo, N. Y. 14202
Tel. No. 716-842-3655

FINDINGS OF FACT AND OPINION (DOCKET NOS. 3315-74 AND 3316-74).

65 T. C. No. 42

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE, Petitioners v. COMMISSIONER OF INTERNAL REVENUE, Respondent

GORDON P. SCHOPFER and RHONDA F. SCHOPFER, Petitioners v. COMMISSIONER OF INTERNAL REVENUE, Respondent

Docket Nos. 3315-74, 3316-74. Filed December 3, 1975.

Petitioners were shareholders of the X Corporation, which owned an office building. On June 6, 1969, the president of X, who was also a shareholder, met with one of the other shareholders to discuss the liquidation of X in kind and sent a memorandum of that meeting to the other shareholders. On June 23, 1969, all the shareholders met and agreed to proceed promptly with the liquidation. On December 31, 1969, X was liquidated and its assets were transferred to the shareholders, who thereafter held the property as partners. Held, there was not "a written contract for the acquisition of [section 1250] property * * *, which was, on July 24, 1969, and at all times thereafter, binding on the taxpayer" within the meaning of sec. 167(j)(6)(C), I.R.C. 1954, and therefore the partnership was not entitled to use the 150-percent-of-declining-balance method in computing depreciation. Sec. 167(j)(4), I.R.C. 1954.

FINDINGS OF FACT AND OPINION (DOCKET NOS. 3315-74 AND 3316-74)

John J. Costello and Matthew V. Byrne, for the petitioners.

John D. Steele, Jr., for the respondent.

TANNENWALD, Judge: Respondent determined the following deficiencies in the petitioners' Federal income taxes:

Docket No. 3315-74	
1970	$1,463.00
1971	820.00
1972	1,525.00

Docket No. 3316-74	
1970	$1,702.00
1971	900.00
1972	1,022.00

The sole issue remaining to be decided is whether a partnership in which petitioners[1] were partners is entitled to use the 150-percent-of-declining-balance method in computing depreciation with respect to an office building it owns, notwithstanding section 167(j)(4).[2] Resolution of that issue depends upon

---

1 Matthew V. Byrne and Gordon P. Schopfer are hereinafter referred to as petitioners. Their spouses are parties only because they filed joint returns.

2 Statutory references are to the Internal Revenue Code of 1954, as amended and in effect during the taxable years in issue.

whether the building was acquired pursuant to a written contract which was binding on July 24, 1969, and at all times thereafter, within the meaning of section 167(j)(6)(C).

FINDINGS OF FACT

Most of the facts are stipulated and are found accordingly. The stipulation of facts and attached exhibits are incorporated herein by this reference.

Matthew V. Byrne and Elvira C. Byrne are husband and wife, as are Gordon P. Schopfer and Rhonda F. Schopfer. At the time the petitions were filed, petitioners and their spouses resided in Syracuse, New York. Their income tax returns for 1970, 1971, and 1972 were filed with the district director of internal revenue, Buffalo, New York.

During the years in issue, each petitioner held a 25 percent interest in a partnership known as Warron Properties Company [hereinafter Warron]. Two other persons, John J. Costello and Ralph E. Schopfer, were also equal partners. Warron was created on December 31, 1969. On that date, Warron acquired from Warron Properties, Ltd. [hereinafter Limited] an eight-story office building in Syracuse, which it owned and operated throughout the period in question. Limited was a New York corporation whose stock was owned equally by the four partners. During 1969, its officers were: Matthew V. Byrne, President, and John J. Costello, Secretary and Treasurer.

The transfer of the building was preceded by these events: On June 6, 1969, Byrne and Costello met with the corporation's accountants to discuss a liquidation of the corporation and the transfer of its assets to the shareholders. On that date, Byrne prepared and forwarded a letter to the Schopfers which stated:

> Enclosed please find copy of the events that will take place as we liquidate the Corporation as of June 30th and carry the property in the form of a partnership through 1973.
>
> In 1969, we will share a $14,500.00 tax loss; in 1970, $23,506.00; in 1971, $17,376.00; in 1972, $11,171.00; and in 1973, $809.00. Thereafter, the partnership will show a profit and, depending upon our situation at that time, we can then transfer the property to a corporation.
>
> We think this is the thing to do and we would hope that you both would approve of it as soon as possible.

A schedule showing the anticipated tax benefits due to accelerated depreciation following the liquidation accompanied the letter. On June 23, 1969, Byrne, Costello, and the two Schopfers met. A memorandum of that meeting on the stationery of Byrne, Costello & O'Brien, attorneys at law, dated June 24, 1969, reads, in its entirety, as follows:

FINDINGS OF FACT AND OPINION (DOCKET NOS. 3315-74 AND 3316-74)

MEMORANDUM OF CONFERENCE WITH GORDON SCHOPFER, RALPH SCHOPFER, JOHN COSTELLO AND MATTHEW V. BYRNE, JR.

Under date of June 23rd, John Costello, Gordon Schopfer and Ralph Schopfer met to discuss the liquidation. All items were satisfactory with all parties except for the insurance coverage. Mr. Farrington met with us and fully explained the coverage and thereafter we went to lunch, at which time the four men agreed that we should proceed promptly with the liquidation.

Matthew V. Byrne, Jr.

Consummation of the transaction by June 30, 1969, as planned, proved impractical. The liquidation of Limited and the transfer of its assets to Warron did not occur until December 31, 1969.

OPINION

Under section 167, a taxpayer is permitted to compute depreciation on tangible property by the declining balance method, using a rate not exceeding twice the straight line rate. For used section 1250 property acquired after July 24, 1969, however, this privilege

is rescinded by section 167(j)(4).[3] Petitioners do not deny that the building in question was used section 1250 property acquired after July 24, 1969. They claim relief under section 167(j)(6)(C), which provides:

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[3] SEC. 167. DEPRECIATION.

* * *

(j) Special Rules for Section 1250 Property.--

* * *

(4) Used section 1250 property.--Except as provided [for residential rental property] * * *, in the case of section 1250 property acquired after July 24, 1969, the original use of which does not commence with the taxpayer, the allowance for depreciation under this section shall be limited to an amount computed under--

(A) the straight line method, or

(B) any other method determined by the Secretary or his delegate to result in a reasonable allowance under subsection (a), not including--

(i) any declining balance method, * * *.

Section 1.167(j)-1(a)(2)(i), Income Tax Regs., provides:

[T]he term "section 1250 property" means any real property * * * which is or has been property of a character subject to the allowance for depreciation provided in section 167.

> Paragraphs (4) and (5) shall not apply in the case of section 1250 property acquired after July 24, 1969, pursuant to a written contract for the acquisition of such property * * *, which was, on July 24, 1969, and at all times thereafter, binding on the taxpayer.

Their position is that the June 6, 1969 letter from Byrne to the Schopfers, together with the record of the June 23, 1969 meeting, constitutes a binding written contract within the meaning of the statute.

Respondent has promulgated regulations which elaborate on the statutory language. With respect to the binding written contract requirement for used section 1250 property, section 1.167(j)-7(c), Income Tax Regs., incorporates the requirements imposed on contracts for the construction of new property by section 1.167(j)-4(b). With interpolations appropriate to this case, the pertinent part of those requirements is as follows:

> (2) Type of contract. (i) A contract for the [acquisition] of property will qualify under this paragraph only if--
>
> (a) The [acquisition] of such property is the subject matter of the contract,
>
> (b) The contract provides that the property is to be [acquired] by or for the taxpayer * * *,
>
> * * *
>
> (d) The parties to the contract are the taxpayer * * *, and the person who is to [transfer property to] the taxpayer, or

> (e) The parties to the contract are the taxpayer * * *, and the person with whom or for whom the taxpayer agrees to [acquire] property.
> * * *
> (3) Legal formality. (i) An agreement shall be considered as a contract binding on the taxpayer, for purposes of this paragraph, only if such agreement is in writing, constitutes a contract under applicable State or local law, and is enforceable against the taxpayer under such law. A contract which does not represent a bona fide agreement negotiated at arm's length shall not be considered a binding contract under this paragraph. * * *

Initially, we reject respondent's argument that, because Warron was not in existence on July 24, 1969, there could have been no written contract which was binding on the "taxpayer" on that date. Aside from the question whether the partnership or the partner is the taxpayer, section 1.167(j)-7(a)(3)(ii)(f) of the regulations provides that property (or rights in property) which is transferred in exchange for partnership interests and which would have qualified in the hands of the partners qualifies in the hands of the partnership. That section is applicable here. The written partnership agreement provides both for the allocation of partnership interests and the transfer of the building to the partnership; the conclusion is inescapable that those interests were acquired in exchange for the interests of the partners in the

building. Thus, we are only required to determine whether the building would have qualified for accelerated depreciation in the hands of the shareholders of Limited if they had continued to hold it after the liquidation.

We therefore turn to an analysis of the instant situation in light of the applicable statute and regulations. Petitioners make a highly legalistic argument asserting that the written documentation, consisting of the June 6, 1969 letter and the memorandum of the meeting held on June 24, 1969 (which petitioners contend constitutes minutes of a stockholders' meeting), satisfies the requirements of an "agreement in writing" which "constitutes a contract under applicable State or local law and is enforceable against the taxpayer under such law." See sec. 1.167(j)-4(b)(3), Income Tax Regs., supra.

There are several flaws in petitioners' position. First, it is debatable whether the memorandum of June 24 constitutes minutes of a stockholders' meeting. The document is on the stationery of a law office, it is not signed by anyone, the name of the person who prepared the memorandum is Matthew V. Byrne, Jr., who

was the president and not the secretary of the corporation (the latter usually being the officer of a corporation charged with the preparation of minutes and the custody of the minutes book),[4] and neither Pyrne's designation as president nor the status of the other individuals as stockholders is reflected on the document. However, we need not rest our decision on this equally technical ground. Even if we assume that the memorandum can be characterized as stockholders' minutes, we do not believe that it constitutes a written agreement. Thus it has been observed, in connection with the application of the parol evidence rule:

> * * * [M]inutes of a meeting are not a written instrument. Their function is merely to act as a written record of what took place at the meeting. [Emphasis supplied.]

See Lawrence v. Premier Indemnity Assur. Co., 180 Cal. 688, 182 P. 431, 435 (1919). Or to put it another way:

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[4] The by-laws of the corporation were not submitted in evidence. We also note that at least one New York court has stated that it is not necessary, as a matter of law, that minutes be kept by a private corporation or that any such minutes be signed by any officer. See Woodhaven Bank v. Brooklyn Hills Imp. Co., 69 App. Div. 489, 74 N.Y.S. 1023 (2d Dept. 1902). But, in the context of this case, we think the omission has some significance, albeit peripheral.

> * * * The parties may manifest their intention in any of the usual ways, that is by formal contract, by resolution or simply by their actions. When they do so by resolution, the resolution is not itself a contract but only evidence of it. [Emphasis supplied.]

See Wilson v. Red Bluff Daily News, 237 Cal. App. 2d 87, 46 Cal. Rptr. 591, 594 (3d Dist. Ct. App. 1965). Thus, reliance on section 624(g) of the New York Business Corporation Law[5] is misplaced. That section simply sets forth a rule of evidence and does not, by itself, equate the minutes with a written agreement. Perhaps the memorandum sets forth an arrangement which in the proper context, could be enforced by the individuals against each other or against any of the individuals who sought to disavow the plan to liquidate Limited. But enforceability is only one element and comes into play after a "written contract" as required by the statute (see section 167(j)(6)(C)) is found to exist.

Beyond the foregoing, there are additional flaws. Thus, the statute requires that the contract be "for

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(g) The books and records specified in paragraph (a) [which include minutes of shareholders' meetings] shall be prima facie evidence of the facts therein stated in favor of the plaintiff in any action or special proceeding against such corporation or any of its officers, directors or shareholders.

the acquisition of such [section 1250] property." We think that this requirement is not satisfied. At best, the so-called "minutes" of June 24 simply call for a liquidation of Limited and not a liquidation in kind. We think that if three of the four stockholders (who held 75 percent of the voting stock) had subsequently decided to have Limited sell the property and then distribute the cash in liquidation, they could have done so despite the objection of the fourth stockholder.[6] In our opinion, the letter of June 6, 1969 which indicates that a liquidation in kind was contemplated cannot be said to supply the necessary ingredient to conclude that there was an enforceable agreement to liquidate Limited in kind.

Moreover, we think it clear that petitioners have not satisfied the requirement of the regulations that a contract, to be binding for the purpose of section 167(j)(6)(C) must represent "a bona fide agreement negotiated at arm's length." See sec. 1.167(j)-4(b)(3)(i), Income Tax Regs. It cannot be denied that, on the record

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6 Since the certificate of incorporation contains no contrary provision, a vote of two-thirds of the shareholders would appear sufficient. See sec. 909, N.Y. Business Corporation Law; Fletcher, Cyclopedia Corporations, secs. 2949.2, 2949.3, and 2949.6 (Perm. ed. 1968).

before us, the only purpose for the liquidation of Limited was the perceived tax advantage of accelerated depreciation of the property in the hands of the partnership. While the presence of a tax avoidance purpose is not, in and of itself, perfidious if the transaction involved has substance, it is clearly an element which can be taken into account. See George L. Schultz, 50 T.C. 688, 694 (1968), affd. per curiam 420 F. 2d 490 (3d Cir. 1970). Petitioners were not obligated to pay and in fact did not pay for the property. In the foregoing context, the apparent exclusivity of tax purpose is significant, particularly when one takes into account the purpose which motivated the Congress to enact

section 167(j).[7]

In light of such announced purpose, one is led inexorably to the conclusion that the type of arrangement involved herein, even assuming that it achieved the status of a "written contract," is not the kind of "written contract" Congress had in mind when it carved out the exception contained in section 167(j)(6)(C). We have also taken into account the fact that we are dealing herein with a special statutory exemption which has the effect of a lowing a deduction and that, since deductions are a matter of legislative grace, such a provision should be narrowly construed. See Commissioner v. Nat. Alfalfa Dehydrating and Milling Co., 417 U.S. 134, 149 (1974). Clearly, the arrangement involved herein is

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> "As a result of the fast depreciation, the ability to deduct amounts in excess of the taxpayer's equity, and section 1231 treatment on the sale of the property, economically profitable real estate operations normally produce substantial tax losses, sheltering from income tax the economic profit of the operation and permitting avoidance of income tax on the owner's other ordinary income, such as salary and dividends. Later, the property can be sold and the excess of the sale price over the remaining basis is treated as a section 1231 gain except for the limitations in section 1250."

See H. Rept. No. 91-413 (Part 1) (1969), 1969-3 C.B. 200, 303; S. Rept. No. 91-552 (1969), 1969-3 C.B. 423, 557.

not one which falls within the ordinary meaning of the quoted phrase.[8] Compare Bingler v. Johnson, 394 U.S. 741, 749-751 (1969), with Commissioner v. Brown, 380 U.S. 563, 570-571 (1965). In Hercules Gasoline Co. v. Commissioner, 326 U.S. 425 (1945), the Supreme Court was called upon to interpret section 26(c) of the Revenue Act of 1936, which provided a credit against income in the computation of the undistributed profits surtax of--

> [a]n amount equal to the excess of the adjusted net income over the aggregate of the amounts which can be distributed within the taxable year as dividends without violating a provision of a written contract executed by the corporation prior to May 1, 1936, which provision expressly deals with the payment of dividends. [Emphasis supplied.]

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8 We note that when Congress enacted Pub. L. 91-675 in 1971, enlarging, with carefully circumscribed limitations, the exemptions from the application of section 311(d), both the House Ways and Means Committee and the Senate Finance Committee stated:

> A substantially similar type of case has arisen, where corporations have, in fact, begun plans of redemption pursuant to boards of directors resolutions adopted before the congressional consideration of the provision and where a substantial part of the plans had been carried out before the date of enactment of the 1969 act. The type of situation referred to is not within the transitional rules of the 1969 act, however, because it does not involve a binding contract, public offer, or description filed with a public agency.

See H. Rept. No. 91-1694 (1970), p. 2; S. Rept. No. 91-1542 (1970), 1971-1 C.B. 600, 600-601.

The Court held that the credit did not apply to a prohibition imposed by the corporate charter on the payment of dividends on common stock prior to the retirement of the outstanding preferred. It followed the holding of Helvering v. Northwest Steel Mills, 311 U.S. 46 (1940), that Congress intended the credit to be "limited to contracts involving ordinary obligations to creditors." 326 U.S. at 429.[9] The Court noted that a contrary holding would permit the corporation by self-dealing to avoid the imposition of the tax. We believe a similar rationale applies here and that an arrangement for liquidation among a corporation and its shareholders is not entitled to the

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[9] In reaching its conclusion in Northwest Steel, the Court stated (311 U.S. at 49):

> * * * The natural impression conveyed by the words "written contract executed by the corporation" is that an explicit understanding has been reached, reduced to writing, signed and delivered. True, obligations not set out at length in a written contract may be incorporated by specific reference, or even by implication. But Congress indicated that any exempted prohibition against dividend payments must be expressly written in the executed contract. It did this by adding a precautionary clause that the granted credit can only result from a provision which "expressly deals with the payment of dividends."

benefits of the exception contained in section 167(j)(6)(C).

To reflect the parties' agreement on other issues,

Decision will be entered under Rule 155.

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74).

UNITED STATES TAX COURT

MATTHEW V. BYRNE and ELVIRA C. BYRNE, Petitioners, v. COMMISSIONER OF INTERNAL REVENUE, Respondent.	Docket No. 3315-74
GORDON P. SCHOPFER and RHONDA F. SCHOPFER, Petitioners, v. COMMISSIONER OF INTERNAL REVENUE, Respondent.	Docket No. 3316-74

STIPULATION OF FACTS

The following matters are hereby stipulated by and between the parties hereto, for the purposes of these consolidated cases, subject to the right of either party to object to the admission in evidence of such facts on the grounds of materiality or relevancy, and to the right of either party to introduce other and further evidence not inconsistent with the facts stipulated. All exhibits referred to herein are incorporated in this stipulation and made a part hereof.

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74)

1. Matthew V. Byrne and Elvira C. Byrne are husband and wife residing at 144 Stanwood Lane, Manlius, New York, and, at the time the petition was filed resided at 206 Twin Hills Drive, Syracuse, New York. Their Federal income tax returns for the years 1970, 1971 and 1972 were prepared and filed on the cash receipts and disbursements method of accounting with the District Director of Internal Revenue of Buffalo, New York. Copies of said returns are attached hereto and marked Joint Exhibits 1-A through 3-C, respectively.

2. Gordon P. Schopfer and Rhonda F. Schopfer are husband and wife, who, at the time their petition was filed, resided at 1220 Comstock Avenue, Syracuse, New York. Their Federal income tax returns for the years 1970, 1971 and 1972 were prepared and filed on the cash receipts and disbursements method of accounting with the District Director of Internal Revenue of Buffalo, New York. Copies of said returns are attached hereto and marked Joint Exhibits 4-D through 6-F, respectively.

3. Matthew V. Byrne and Gordon P. Schopfer are members of a partnership known as Warron Properties Company, said individuals being hereinafter referred to collectively as the petitioners. Copies of the partnership returns filed by the petitioners for the taxable years ended 1970, 1971 and 1972

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74)

with the District Director of Internal Revenue of Buffalo, New York, are attached hereto and marked Joint Exhibits 7-G through 9-I, respectively.

4. During the years 1970, 1971 and 1972, the partnership known as Warron Properties Company was composed of four general partners, each owning a 25% interest in the partnership: Matthew V. Byrne and Gordon P. Schopfer, petitioners herein, and John J. Costello then of 111 Locust Lane, Syracuse, New York, and Ralph E. Schopfer of 712 Vallamont Drive, Williamsport, Pennsylvania.

5. During the years 1970, 1971 and 1972, Warron Properties Company was the owner of and operated an eight-story office building known as the 499 Warren Building at 499 South Warren Street in the City of Syracuse, New York.

6. The partnership known as Warron Properties Company was created as of December 31, 1969, by an Agreement between Ralph E. Schopfer, John J. Costello, Gordon P. Schopfer and Matthew V. Byrne. A copy of the Partnership Agreement is attached hereto and marked Joint Exhibit 10-J.

7. The partnership known as Warron Properties Company caused a Partnership Certificate to be filed in the Onondaga County Clerk's Office on January 19, 1970. A copy of said Certificate is attached hereto and marked Joint Exhibit 11-K.

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74)

8. On July 1, 1969, Matthew V. Byrne, Jr., President of Warron Properties, Ltd. prepared a deed relating to the property at 499 Warren Street. The actual conveyance of this property to Warron Properties Company did not occur until December 31, 1969. This deed was never recorded with the Onondaga County Clerk. A copy of this deed is attached hereto and marked Joint Exhibit 12-L.

9. Warron Properties, Ltd., was a New York Corporation incorporated by Certificate filed with the Department of State on September 14, 1961. A copy of the Certificate and the filing receipt are attached hereto and marked Joint Exhibit 13-M.

10. The Certificate of Incorporation of Warron Properties, Ltd., was amended by Certificate of Amendment filed with the Department of State on February 7, 1962. A copy of the Certificate of Amendment and the filing receipt are attached hereto and marked Joint Exhibit 14-N.

11. During the year 1969, the stockholders of Warron Properties, Ltd., and their respective stock holdings were as follows:

Stockholder	Non-Cumulative Preferred Shares	No Par Common Shares
Matthew V. Byrne	25	25
John J. Costello	25	25
Ralph E. Schopfer	25	25
Gordon P. Schopfer	25	25

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74)

12. During the year 1969, the officers of Warron Properties, Ltd., were as follows:

President:	Matthew V. Byrne
Treasurer:	John J. Costello
Secretary:	John J. Costello

13. On June 6, 1969, a conference was held for the purpose of discussing a liquidation of the Corporation and transfer of its assets to Matthew V. Byrne, John J. Costello, Gordon P. Schopfer and Ralph E. Schopfer. Present at the conference were Matthew V. Byrne, President of the Corporation, John J. Costello, Secretary-Treasurer thereof, and Frederick P. Christy and Francis J. Bellso of Christy, Christy & Bellso, accountants for the Corporation.

14. On June 6, 1969, Matthew V. Byrne, the President of the Corporation, prepared and forwarded to Gordon P. Schopfer and Ralph E. Schopfer a letter describing the liquidation of the Corporation as of June 30, 1969, and a transfer of its assets to a partnership. Enclosed with the letter was a schedule of depreciation based upon the liquidation. A copy of the letter and of the schedule are attached hereto and marked Joint Exhibit 15-0.

15. On June 23, 1969, a meeting of the stockholders of Warron Properties, Ltd., was held at the offices of Byrne,

Costello & O'Brien, 499 Warren Building, Syracuse, New York. Present at the meeting were Matthew V. Byrne, John J. Costello, Ralph E. Schopfer and Gordon P. Schopfer, constituting all of the stockholders of the Corporation. A copy of the minutes of the meeting is attached hereto and marked Joint Exhibit 16-P.

16. The liquidation of the Corporation and transfer of its assets to the partnership did not occur until December 31, 1969.

17. Subsequent to the transfer of assets from Warron Properties Ltd., to Warron Properties Company, Warron Properties Ltd., filed its final income tax return with the District Director of Internal Revenue, 310 Lowell Street, Andover, Massachusetts. A copy of the corporate return is attached hereto and marked Joint Exhibit 17-Q.

STIPULATION OF FACTS (DOCKET NOS. 3315-74 AND 3316-74)

18. Warron Properties, Ltd., was dissolved pursuant to Certificate of Dissolution filed with the Department of State on September 8, 1970. A copy of the filing receipt is attached hereto and marked Joint Exhibit 18-R.

JOHN J. COSTELLO
Counsel for Petitioners
499 Warren Bldg.
Syracuse, N.Y. 13202
Tel. No. 315-474-6448

MAR 17 1975

MEADE WHITAKER
Chief Counsel
Internal Revenue Service

(sgd) Stephen M. Miller

By: _____
Stephen M. Miller
Assistant Regional Counsel
Internal Revenue Service
304 U.S. Courthouse
Buffalo, N. Y. 14202
Tel. No. 716-842-3655

JOINT EXHIBIT 1A, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

BEST COPY AVAILABLE

63a

Form 1040

US Department of the Treasury / Internal Revenue Service
Individual Income Tax Return

1970

For the year January 1–December 31, 1970, or other taxable year beginning ..... 1970, ending ..... 19.....

Please print or type

First name and initial (If joint return, use first names and middle initials of both) | Last name | Your social security number
DONALD V. & LAURA A. | BYRNE | 132 14 9128

Present home address (Number and street or rural route) | Spouse's social security number
204 TWIN HILLS DR

City, town or post office, State and ZIP code | Occupation: Yours ATTORNEY; Spouse's H/W
SYRACUSE, N.Y. 13209

Please attach Copy B of Form W-2 to back.

Filing Status—check only one:

1 ☐ Single; 2 ☑ Married filing jointly (even if only one had income)
3 ☐ Married filing separately and spouse is also filing. If this item checked give spouse's social security number in space above and enter first name here ►
4 ☐ Unmarried Head of Household
5 ☐ Surviving widow(er) with dependent child
6 ☐ Married filing separately and spouse is not filing

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked
7 Yourself	☑	☐	☐	2
8 Spouse (applies only if item 2 or 6 is checked)	☑	☐	☐	

9 First names of your dependent children who lived with you LAWRENCE, AMY, MATTHEW, MELANIE, MICHAEL — Enter number ► 5

10 Number of other dependents (from line 34) ►

11 Total exemptions claimed ► 7

Income

12 Wages, salaries, tips, etc. (Attach Forms W-2 to back. If unavailable, attach explanation)	12	
13a Dividends (see pages 5 and 9 of instr.) $ 130 — 13b Less exclusion $ 130 — Balance ► (Also list in Part I of Schedule B, if gross dividends and other distributions are over $100)	13c	-
14 Interest. Enter total here (also list in Part II of Schedule B, if total is over $100)	14	1829
15 Income other than wages, dividends, and interest (from line 40)	15	21580
16 Total (add lines 12, 13c, 14 and 15)	16	23409
17 Adjustments to income (such as "sick pay," moving expense, etc. from line 45)	17	
18 Adjusted gross income (subtract line 17 from line 16)	18	23409

Tax and Surcharge

See page 2 of instructions for rules under which the IRS will figure your tax and surcharge.
If you do not itemize deductions and line 18 is under $10,000, find tax in Tables. Enter tax on line 19.
If you itemize deductions or line 18 is $10,000 or more, go to line 45 to figure tax.

19 Tax (Check if from: Tax Tables 1–15 ☐, Tax Rate Schedule X, Y, or Z ☒, Schedule D ☐, or Schedule G ☐)	19	2436
20 Tax surcharge. See Tax Surcharge Tables A, B and C in instructions. (If you claim retirement income credit, use Schedule R to figure surcharge.)	20	61
21 Total (add lines 19 and 20)	21	2497

Payments and Credits

22 Total credits (from line 55)	22	
23 Income tax (subtract line 22 from line 21)	23	2497
24 Other taxes (from line 61)	24	538
25 Total (add lines 23 and 24)	25	3035
26 Total Federal income tax withheld (attach Forms W-2 to back) — 26		
27 1970 Estimated tax payments (include 1969 overpayment allowed as a credit) — 27		
28 Other payments (from line 65) — 28		
29 Total (add lines 26, 27, and 28)	29	-

Please attach Check or Money Order here

Make check or money order payable to Internal Revenue Service.

Bal. Due or Refund

30 If line 25 is larger than line 29, enter BALANCE DUE. Pay in full with return ►	30	3035
31 If line 29 is larger than line 25, enter OVERPAYMENT ►	31	

32 Line 31 to be: (a) Credited on 1971 estimated tax ► $; (b) Refunded ► $

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Your signature — Date

Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer, based on all information of which he has any knowledge. — Date

Address

16—81168-1

TAXPAYER'S COPY
DEFREES, BURKE & BROWN

64a

Attach Copy B of Form W-2 here. ►

Foreign Accounts (check appropriate box) ▷ Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? . . . . . ☐ Yes ☐ No.
If "Yes," attach Form 4683. (For definitions, see Form 4683.)

PART I.—Additional Exemptions (Complete only for other dependents claimed on line 10)

33 (a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year write "B" or "D"	(d) Did dependent have income of $625 or more?	(e) Amount YOU furnished for dependent's support, if 100% write "ALL"	(f) Amount furnished by OTHERS including dependent.
				$	$

34 Total number of dependents listed above. Enter here and on line 10 . . . . . ►

PART II.—Income other than Wages, Dividends, and Interest

35 Business income (or loss) (attach Schedule C)	35	
36 Sale or exchange of property (attach Schedule D)	36	
37 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E) .	37	21580
38 Farm income (or loss) (attach Schedule F)	38	
39 Miscellaneous income (state nature and source)	39	
40 Total (add lines 35, 36, 37, 38, and 39). Enter here and on line 15 . . . . . ►	40	21580

PART III.—Adjustments to Income

41 "Sick pay" if included in line 12 (attach Form 2440 or other required statement)	41	
42 Moving expense (attach Form 3903)	42	
43 Employee business expense (attach Form 2106 or other statement)	43	
44 Payments as a self-employed person to a retirement plan, etc. (attach Form 2950SE)	44	
45 Total adjustments (add lines 41, 42, 43, and 44). Enter here and on line 17 . . . . . ►	45	

PART IV.—Tax Computation

46 Adjusted gross income (from line 18)	46	23409
47 (a) If you itemize deductions, enter total from Schedule A, line 22 (b) If you do not itemize deductions, and line 46 is $10,000 or more, enter $1,000 ($500 if married and filing separately)	47	6332
48 Subtract line 47 from line 46	48	17077
49 Multiply total number of exemptions claimed on line 11, by $625	49	4375
50 Taxable income. Subtract line 49 from line 48. (Figure your tax on this amount by using Tax Rate Schedule X, Y, or Z unless the alternative tax or income averaging is applicable.) Enter tax on line 51	50	12702
51 Tax. Enter here and on line 19 . . . . . ►	51	2434

PART V.—Credits

52 Retirement income credit (attach Schedule R)	52	
53 Investment credit (attach Form 3468)	53	
54 Foreign tax credit (attach Form 1116)	54	
55 Total credits (add lines 52, 53, and 54). Enter here and on line 22 . . . . . ►	55	

PART VI.—Other Taxes

56 Self-employment tax (attach Schedule SE)	56	538
57 Tax from recomputing prior-year investment credit (attach Form 4255)	57	
58 Minimum tax. See instructions on page 7. Check here ☐, if Form 4625 is attached	58	
59 Social security tax on unreported tip income (attach Form 4137).	59	
60 Uncollected employee social security tax on tips (from Forms W-2)	60	
61 Total (add lines 56, 57, 58, 59, and 60). Enter here and on line 24 . . . . . ►	61	538

PART VII.—Other Payments

62 Excess F.I.C.A. tax withheld (two or more employers—see instructions on page 7)	62	
63 Credit for Federal tax on gasoline, special fuels, and lubricating oil (attach Form 4136)	63	
64 Regulated Investment Company Credit (attach Form 2439)	64	
65 Total (add lines 62, 63, and 64). Enter here and on line 28 . . . . . ►	65	

☆ U.S. GOVERNMENT PRINTING OFFICE: 1970—O-398-203 (E. I. 13-5566295)

16—81168-1

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040.

1970

Name(s) as shown on Form 1040

M. V. & M. Evans

Your Social Security Number 132 14 9125

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care		
2 Medicine and drugs		
3 Enter 1% of line 18, Form 1040		
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)		
5 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, balance of insurance premiums for medical care not entered on line 1, etc.		
6 Total (add lines 4 and 5)		
7 Enter 3% of line 18, Form 1040		
8 Subtract line 7 from line 6. Enter difference (if less than zero, enter zero)		
9 Total deductible medical and dental expenses (Add lines 1 and 8. Enter here and on line 17, below.) ►		

Taxes.—Real estate	814	
State and local gasoline (see gas tax tables)	60	
General sales (see sales tax tables)	350	
State and local income	629	
Personal property		
10 Total taxes (Enter here and on line 18, below.) ►	1883	

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 8 for examples)

Most Holy Rosary Church	307	
Boy Scouts	100	
Various	150	
11 Total cash contributions		
12 Other than cash (see instructions on page 8 for required statement). Enter total for such items here		
13 Carryover from prior years (see instructions on page 8)		
14 Total contributions (Add lines 11, 12, and 13. Enter here and on line 19, below. See instructions on page 8 for limitation) ►	557	

Interest expense—Home mortgage	1167	
Installment purchases	45	
Other (Itemize) O C S B	24	
Metropolitan Bank Notes	634	
Marine Midland Notes	214	
Lincoln Bank Notes	95	
Pacific Nat Bk Notes	829	
Lincoln Bk (1/2 Int.)	851	
15 Total interest expense (Enter here and on line 20, below.) ►	3877	

Miscellaneous deductions for child care, alimony, union dues, casualty losses, etc. (see instructions on page 8).		
Safe Deposit Box	15	
16 Total miscellaneous deductions (Enter here and on line 21, below.) ►	15	

Summary of Itemized Deductions

17 Total deductible medical and dental expenses (from line 9)	
18 Total taxes (from line 10)	1883
19 Total contributions (from line 14)	557
20 Total interest expense (from line 15)	3877
21 Total miscellaneous deductions (from line 16)	15
22 TOTAL ITEMIZED DEDUCTIONS. (Add lines 17 through 21. Enter here and on Form 1040, line 47) ►	6332

Schedules A & B (Form 1040) 1970

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your Social Security Number

Part I Dividend Income

Note: If gross dividends and other distributions on stock are $100 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 13a. (see note below)

1 Gross dividends and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

H) 1/3 SYR. SHEILD & 2 BC	10
J)	120
2 Total of line 1	130
3 Capital gain distributions (see instructions on page 9. Enter here and on Schedule D, Part I, line 7.) See note below	
4 Nontaxable distributions (see instructions on page 9)	
5 Total (add lines 3 and 4)	
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 13a	130

Part II Interest Income

Note: If interest is $100 or less, do not complete this part. But enter amount of interest received on Form 1040, line 14.

1 Earnings from savings and loan associations and credit unions (list payers and amounts)

2 Other Interest on bank deposits, bonds, tax refunds, etc. (list payers and amounts)

PACIFIC NAT. BK.	63
METROPOLITAN BK.	245
MAR. MID. TR. CO.	792
SYR. SAV. BK (1/2 JTC)	29
INT ON C.D (1/2 JTC)	63

3 Total Interest Income. Enter here and on Form 1040, line 14 — 1829

Note: If you received capital gain distributions and Schedule D is not needed to report any other gains or losses or to compute the alternative tax, you need not file Schedule D. Instead, enter 50 percent of capital gain distributions on Form 1040, line 39, under "Miscellaneous Income," and identify the source as "50% of cap. gain dist."

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)

Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
► Attach to Form 1040.

1970

Name(s) as shown on Form 1040
M V & E Evans

Your Social Security Number
132 14 9128

Schedule E—Supplemental Income Schedule (Schedule R on back)

Fill out and attach a separate Part I for each pension or annuity. Enter combined total of taxable portions on line 5.

PART I **Pension and Annuity Income.** • If pension or annuity is fully taxable for 1970, complete only lines 1, 2 and 5. • If not fully taxable, complete all lines.

1 Name of payer .....

2 If your employer contributed part of the cost, is your contribution recoverable (or has your contribution been recovered) tax-free within 3 years? ☐ Yes ☐ No.
If "Yes," show: Your contribution $....., Your contribution recovered in prior years $.....

3 Amount received this year . . . . . .

4 Amount excludable . . . . . .

5 Taxable portion (subtract line 4 from line 3) . . . . . .

PART II **Rent and Royalty Income** (If you received rents from the operation of a farm but you did not materially participate in its operation, report rents in column (b). Note: If in crop shares, report in year reduced to money or its equivalent. See instructions for Part II on page 12.)

(a) Kind and location of property (If residential, also write "R")	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
1 Totals				

2 Net income (or loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)) . . .

PART III **Income or Losses from Partnerships, Estates or Trusts, and Small Business Corporations**

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss
Cypress Pastures Co Ltd	✓			15-2219452	30783
Cypress Pastures Co	✓			PTSP [illegible]	(480)
Wichita Properties Co	✓			16-0970142	(8723)

1 Income (or loss) Total of column (d) 21580

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 37.) 21580

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above. Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column (b), enter the cost or other basis of assets held at end of year in column (c), and enter the accumulated depreciation at end of year in column (d). If you need more space, use Form 4562.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) ►						
2 Totals						

Summary of Depreciation

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other.							

68a

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

► Each self-employed person must file a separate Schedule SE.
► Attach to Form 1040.

1973

► If you had wages, including tips, of $7,800 or more that were subject to social security taxes, do not fill in this page.
► If you had more than one business, combine profits (or losses) from all of your businesses and farms on this Schedule SE.

Important.—The self-employment income reported below will be credited to your social security record and used in figuring social security benefits.

Name of self-employed person (as shown on social security card)	Social security number	Check applicable block
MATTHEW V. BYRNE	132 14 9128	1 ☑ Male 2 ☐ Female

Business activities subject to self-employment tax (grocery store, restaurant, farm, etc.) ► ATTORNEY

Part I Computation of Net Earnings from BUSINESS Self-Employment (other than farming)

1	Net profit (or loss) shown in Schedule C (Form 1040), line 26. (Enter combined amount if more than one business.)	
2	Net income (or loss) from excluded services or sources included on line 1	
	Specify excluded services or sources	
3	Net earnings (or loss) from business self-employment. (Subtract line 2 from line 1, and enter here and on line 1(a), Part III, below.)	

Part II Computation of Net Earnings from FARM Self-Employment

A farmer may elect to compute net farm earnings using the OPTIONAL METHOD (line 3, below) INSTEAD OF THE REGULAR METHOD (line 2, below) if his gross profits are: (1) $2,400 or less, or (2) more than $2,400 and net profits are less than $1,600. If your gross profits from farming are not more than $2,400 and you elect to use the optional method, you need not complete lines 1 and 2.

Computation under Regular Method

1	Net farm profit (or loss) from:		
	(a) Schedule F, line 52 (cash method), or line 69 (accrual method)		
	(b) Farm partnerships		
2	Net earnings from self-employment from farming. Add lines 1(a) and (b)		

Computation under Optional Method

3	If gross profits from farming are:*		
	(a) Not more than $2,400, enter two-thirds of the gross profits		
	(b) More than $2,400 and the net farm profit is less than $1,600, enter $1,600		

* Note.—*Gross profits from farming are the total of the gross profits from Schedule F, line 28 (cash method), or line 67 (accrual method), plus the distributive share of gross profit from farm partnerships as explained in Instructions for Schedule SE.*

4	Enter here and on line 1(b), Part III, below, the amount on line 2 (or line 3, if you use the optional method)	

Part III Computation of Social Security Self-Employment Tax

1	Net earnings (or loss) from self-employment—			
	(a) From business (other than farming—from line 3, Part I, above)			
	(b) From farming (from line 4, Part II, above)			
	(c) From partnerships, joint ventures, etc. (other than farming)			30323
	(d) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here ☐ and enter zero on this line			
	(e) From service with a foreign government or international organization			
	(f) Other (director's fees, etc.). Specify			
2	Total net earnings (or loss) from self-employment reported on line 1 (If line 2 is less than $400, you are not subject to self-employment tax. Do not fill in rest of page.)			30303
3	The largest amount of combined wages and self-employment earnings subject to social security tax is		$7,800 00	
4	(a) Total "FICA" wages as indicated on Form W-2			
	(b) Unreported tips, if any, subject to FICA tax from Form 4137, line 9		–	
	(c) Total of lines 4(a) and 4(b)			
5	Balance (subtract line 4(c) from line 3)		7800	
6	Self-employment income—line 2 or 5, whichever is smaller			7800
7	If line 6 is $7,800, enter $538.20; if less, multiply the amount on line 6 by .069			538
8	Railroad employee's and railroad employee representative's adjustment for hospital insurance benefits tax from Form 4469			
9	Self employment tax (subtract line 8 from line 7). Enter here and on Form 1040, line 56			538

10—61172-1 370-049

JOINT EXHIBIT 2B, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

Form **1040** **US** Department of the Treasury / Internal Revenue Service

Individual Income Tax Return

1971

For the year January 1–December 31, 1971, or other taxable year beginning ..... 1971, ending ..... 19 .....

Please print or type

First name and initial (If joint return, use first names and middle initials of both)	Last name	Your social security number
MATTHEW V. AND ELVIRA C	BYRNE	132 14 9128
Present home address (Number and street, including apartment number, or rural route)		**Spouse's social security number**
206 TWIN HILLS DRIVE		
City, town or post office, State and ZIP code	**Occupation**	**Yours** ATTORNEY
SYRACUSE, NEW YORK 13207		**Spouse's** H/W

Filing Status—check only one:

1 ☐ Single
2 ☑ Married filing jointly (even if only one had income)
3 ☐ Married filing separately and spouse is also filing. Give spouse's social security number in space above and enter first name here ▶
4 ☐ Unmarried Head of Household
5 ☐ Surviving widow(er) with dependent child
6 ☐ Married filing separately and spouse is not filing

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked
7 Yourself	☑	☐	☐	2
8 Spouse (applies only if item 2 or 6 is checked)	☑	☐	☐	

9 First names of your dependent children who lived with you LAURENCE ANN, MATTHEW, MELANIE — Enter number ▶ 4
10 Number of other dependents (from line 33) ▶
11 Total exemptions claimed ▶ 6

Please attach Copy B of Form W-2 to back

Income

12	Wages, salaries, tips, etc. (Attach Forms W-2 to back. If unavailable, attach explanation)	12	27,055
13a	Dividends (see pages 6 and 11 of instr.) $ 119 — 13b Less exclusion $ 200 — Balance ▶	13c	—
	(If gross dividends and other distributions are over $100, list in Part I of Schedule B.)		
14	Interest. [If $100 or less, enter total without listing in Schedule B. If over $100, enter total and list in Part II of Schedule B.]	14	1339
15	Income other than wages, dividends, and interest (from line 40)	15	(6826)
16	Total (add lines 12, 13c, 14 and 15)	16	21,568
17	Adjustments to income (such as "sick pay," moving expense, etc. from line 45)	17	
18	Adjusted gross income (subtract line 17 from line 16)	18	21,568

DERMODY BURKE & BROWN

- See page 3 of instructions for rules under which the IRS will figure your tax.
- If you do not itemize deductions and line 18 is under $10,000, find tax in Tables and enter on line 19.
- If you itemize deductions or line 18 is $10,000 or more, go to line 46 to figure tax.

Tax, Payments and Credits

19	Tax (Check if from: ☐ Tax Tables 1–13, ☑ Tax Rate Sch. X, Y, or Z, ☐ Sch. D, ☐ Sch. G or ☐ Form 4726)	19	1517	72
20	Total credits (from line 54)	20		
21	Income tax (subtract line 20 from line 19)	21	1517	72
22	Other taxes (from line 60)	22		
23	Total (add lines 21 and 22)	23	1517	72
24	Total Federal income tax withheld (attach Forms W-2 or W-2P to back) — 24: 3560			
25	1971 Estimated tax payments (include 1970 overpayment allowed as a credit) — 25:			
26	Other payments (from line 64) — 26:			
27	Total (add lines 24, 25, and 26)	27	3560	

Bal. Due or Refund

28	If line 23 is larger than line 27, enter BALANCE DUE (Pay in full with return. Make check or money order payable to Internal Revenue Service) ▶	28	
29	If line 27 is larger than line 23, enter OVERPAYMENT ▶	29	2042 28
30	Line 29 to be: (a) REFUNDED (Allow at least six weeks for your refund check) ▶ 2042 28 ~~28~~		
	(b) Credited on 1972 estimated tax ▶ 2042 28		

Foreign Accounts

31 Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) ▶ ☐ Yes ☑ No

Write soc. sec. no. on Check or Money Order. Attach here

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

▷ Your signature — Date

▷ Spouse's signature (If filing jointly, BOTH must sign even if only one had income)

▷ Signature of preparer other than taxpayer, based on all information of which he has any knowledge. — Date

Address

Attach Copy B of Form W-2 here. ►

PART I.—Additional Exemptions (Complete only for other dependents claimed on line 10)

32 (a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $675 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
				$	$

33 Total number of dependents listed above. Enter here and on line 10 . . . . . ►

PART II.—Income other than Wages, Dividends, and Interest

34	Business income or (loss) (attach Schedule C)	34	
35	Net gain or (loss) from sale or exchange of capital assets (attach Schedule D)	35	
36	Net gain or (loss) from Supplemental Schedule of Gains and Losses (attach Form 4797)	36	
37	Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E)	37	(6821.)
38	Farm income or (loss) (attach Schedule F)	38	
39	Miscellaneous Income: (a) Fully taxable pensions and annuities not reported on Schedule E—see instructions on page 7		
	(b) 50% of capital gain distributions (not reported on Schedule D)		
	(c) State income tax refunds (caution—see instructions on page 7)		
	(d) Alimony		
	(e) Other (state nature and source)		
	(f) Total miscellaneous income (add lines 39(a), (b), (c), (d) and (e))	39	
40	Total (add lines 34, 35, 36, 37, 38, and 39). Enter here and on line 15 ►	40	(6821.)

PART III.—Adjustments to Income

41	"Sick pay" included in line 12 (attach Form 2440 or other required statement)	41	
42	Moving expense (attach Form 3903)	42	
43	Employee business expense (attach Form 2106 or other statement)	43	
44	Payments as a self-employed person to a retirement plan, etc. (attach Form 2950SE)	44	
45	Total adjustments (add lines 41, 42, 43, and 44). Enter here and on line 17 ►	45	

PART IV.—Tax Computation (Do not use this part if you use Tax Tables 1–13 to find your tax.)

46	Adjusted gross income (from line 18)	46	21568
47	(a) If you itemize deductions, enter total from Schedule A, line 32 and attach Schedule A (b) If you do not itemize deductions, and line 46 is: (1) $10,000 or more but less than $11,538.43, enter 13% of line 46 (2) $11,538.43 or more, enter $1,500. Note: deduction under (1) or (2) is limited to $750 if married and filing separately.	47	8892
48	Subtract line 47 from line 46	48	12676
49	Multiply total number of exemptions claimed on line 11, by $675	49	4050
50	Taxable income. Subtract line 49 from line 48 ►	50	8626

(Figure your tax on the amount on line 50 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 19.

PART V.—Credits

51	Retirement income credit (attach Schedule R)	51	
52	Investment credit (attach Form 3468)	52	
53	Foreign tax credit (attach Form 1116)	53	
54	Total credits (add lines 51, 52, and 53). Enter here and on line 20 ►	54	

PART VI.—Other Taxes

55	Self-employment tax (attach Schedule SE)	55	
56	Tax from recomputing prior-year investment credit (attach Form 4255)	56	
57	Minimum tax (see instructions on page 8). Check here ☐, if Form 4625 is attached	57	
58	Social security tax on unreported tip income (attach Form 4137)	58	
59	Uncollected employee social security tax on tips (from Forms W-2)	59	
60	Total (add lines 55, 56, 57, 58, and 59). Enter here and on line 22 ►	60	

PART VII.—Other Payments

61	Excess FICA tax withheld (two or more employers—see instructions on page 8)	61	
62	Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	62	
63	Regulated Investment Company Credit (attach Form 2439)	63	
64	Total (add lines 61, 62, and 63). Enter here and on line 26 ►	64	

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971—O-418-133/418-134 61-92-07-53-972

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040.

1971

Name(s) as shown on Form 1040
M. V. & F. Byrne

Your social security number
132 | 14 | 9128

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)		
2 Medicine and drugs		
3 Enter 1% of line 18, Form 1040		
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)		
5 Enter balance of insurance premiums for medical care not entered on line 1		
6 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, etc.		
7 Total (add lines 4, 5, and 6)		
8 Enter 3% of line 18, Form 1040		
9 Subtract line 8 from line 7. Enter difference (if less than zero, enter zero)		
10 Total deductible medical and dental expenses (Add lines 1 and 9. Enter here and on line 27, below.) ►		

Taxes.

11 Real estate 2ND CHG.	911	
12 State and local gasoline (see gas tax tables)	60	
13 General sales (see sales tax tables)	425	
14 State and local income	1479	
15 Personal property		
16 Other C.T. MAINTENANCE	73	
WOODWARD IND DEV	975	
17 Total taxes (Add lines 11 through 16. Enter here and on line 28, below.) ►	3922	

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 10 for examples)

M H R + CATHEDRAL	320	
VARIOUS CHARITIES	150	
SYRACUSE SYMPHONY	168	
18 Total cash contributions	638	
19 Other than cash (see instructions on page 10 for required statement). Enter total for such items here		
20 Carryover from prior years		
21 Total contributions (Add lines 18, 19, and 20. Enter here and on line 29, below.)	638	

Interest expense.

22 Home mortgage	1128	
23 Installment purchases		
24 Other (Itemize) METRO BANK	495	
LINCOLN BANK	151	
MARINE MIDLAND	361	
LINCOLN BANK - (½ WITH JJC)	248	
PACIFIC NAT'L BANK	744	
WOODWARD IND DEV	590	
25 Total interest expense (Add lines 22, 23, and 24. Enter here and on line 30, below.) ►	4317	

Miscellaneous deductions for child care, alimony, union dues, casualty losses, etc. (see instructions on page 10).

SYR. DEP [illegible]	15	
26 Total miscellaneous deductions (Enter here and on line 31, below.) ►	15	

Summary of Itemized Deductions

27 Total deductible medical and dental expenses (from line 10)		
28 Total taxes (from line 17)	3922	
29 Total contributions (from line 21)	638	
30 Total interest expense (from line 25)	4317	
31 Total miscellaneous deductions (from line 26)	15	
32 TOTAL ITEMIZED DEDUCTIONS. (Add lines 27 through 31. Enter here and on Form 1040, line 47.) ►	8892	

Schedule A & B (Form 1040) 1971

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

M V & E BYRON

Your social security number

132 14 9125

Part I Dividend Income

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $100 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 13a. (see note below)

1 Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

J) GEN MOT	119

2 Total of line 1 119

3 Capital gain distributions (see instructions on page 11. Enter here and on Schedule D, line 7.) See note below . . . .

4 Nontaxable distributions (see instructions on page 11) .

5 Total (add lines 3 and 4) . . . . . .

6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 13a 119

Part II Interest Income

Note: If interest is $100 or less, do not complete this part. But enter amount of interest received on Form 1040, line 14.

7 Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 11). (List payers and amounts)

METROPOLITAN LIFE	232
MGR MID IC CO.	472
1/2 INT C.D. (WITH J COST.)	633

8 Total Interest Income. Enter here and on Form 1040, line 14 1337

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 39(b).

B

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971—O-418-140 13-197-6080

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)
Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
▷ Attach to Form 1040.

1971

Name(s) as shown on Form 1040
M V [illegible]

Your social security number
132 14 9125

Schedule E—Supplemental Income Schedule (Schedule R on back)

Part I **Pension and Annuity Income.** If fully taxable, do not complete this part. Enter amount on Form 1040, line 39(a). For each pension or annuity not fully taxable, attach a separate Part I and enter combined total of taxable portions on line 5.

1 Name of payer _____

2 Did your employer contribute part of the cost? ☐ Yes ☐ No. If "Yes," is your contribution recoverable within 3 years of the annuity starting date? ☐ Yes ☐ No.
If "Yes," show: Your contribution $_____, Your contribution recovered in prior years $_____

3 Amount received this year . . . . . _____

4 Amount excludable this year . . . . . _____

5 Taxable portion (subtract line 4 from line 3) . . . . . _____

Part II **Rent and Royalty Income.** Report rents and royalties here. If you need more space, you may use Form 4831.
Note: If you are reporting farm rental income here that is based on crops or livestock produced by a tenant farmer but you did not materially participate in the operation of the farm, see instr. on page 14 to determine if you should also file Form 4835.

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
1 Totals				

2 Net income or (loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)) . .

Part III **Income or Losses From Partnerships, Estates or Trusts, and Small Business Corporations.** If any of the partnership, estate or trust income reported below is from farming, see instructions on page 14, to determine if you should also file Form 4835.

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss
[illegible] PROP. Co.	✓			13-2771015	(682)

1 Income or (loss) Total of column (d) . . . . . (682)

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 37) (682)

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above.

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62–21 and 65–13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. If you need more space, use Form 4562.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) ▷						
2 Depreciation from Form 4832						
3 Other depreciation:						
4 Totals						

Summary of Depreciation (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13.						
2 Depr. from Form 4832 . .						
3 Other . . .						

JOINT EXHIBIT 3C, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

76a 4787-40 100

CC

Form **1040** **US** Department of the Treasury / Internal Revenue Service

Individual Income Tax Return

1972

For the year January 1–December 31, 1972, or other taxable year beginning ..... 1972, ending ..... 19 .....

Please print or type

First name and initial (If joint return, use first names and middle initials of both)	Last name	Your social security number (Husband's, if joint return)
MATTHEW V AND ELVIRA C	BYRNE	132:14:9128
Present home address (Number and street or rural route)		Wife's number, if joint return
206 TWIN HILLS DRIVE		
City, town or post office, State and ZIP code	Occupation: Yours ATTORNEY; Wife's HOUSEWIFE	
SYRACUSE NY 13207		

Please attach Copy B of Form W-2 here

Filing Status—check only one:

1 ☐ Single

2 ☒ Married filing joint return (even if only one had income)

3 ☐ Married filing separately. If wife (husband) is also filing give her (his) social security number and first name here.

4 ☐ Unmarried Head of Household

5 ☐ Widow(er) with dependent child (Enter year of death of husband (wife) ▶ 19)

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked ▶
6 Yourself	☒	☐	☐	2
7 Wife (husband)	☒	☐	☐	

8 First names of your dependent children who lived with you LAWRENCE, AMY, MATTHEW, MELANIE

9 Number of other dependents (from line 32) ▶ Enter number ▶ 4

10 Total exemptions claimed ▶ 6

Income

11	Wages, salaries, tips, and other employee compensation. SEE STATEMENT 1	11	42,040
12a	Dividends (see pages 6 and 13 of instr.) $ 156 12b Less exclusion $ 100 Balance ▶	12c	56
	(If gross dividends and other distributions are over $200, list in Part I of Schedule B.)		
13	Interest income. [If $200 or less, enter total without listing in Schedule B. If over $200, enter total and list in Part II of Schedule B.]	13	859
14	Income other than wages, dividends, and interest (from line 45)	14	4,813
15	Total (add lines 11, 12c, 13 and 14)	15	47,768
16	Adjustments to income (such as "sick pay," moving expenses, etc. from line 50)	16	
17	Subtract line 16 from line 15 (adjusted gross income)	17	47,768

● **Caution:** *If you have unearned income and you could be claimed as a dependent on your parent's return, see boxed instruction on page 7, under the heading "Tax-Credits-Payments." Check this block* ☐.

● *If you do not itemize deductions and line 17 is under $10,000, find tax in Tables and enter on line 18.*

● *If you itemize deductions or line 17 is $10,000 or more, go to line 51 to figure tax.*

Tax, Payments and Credits

18	Tax, check if from: ☐ Tax Tables 1–12, ☐ Schedule D; ☒ Schedule G or ☐ Form 4726 ☐ Tax Rate Schedule X, Y, or Z			18	9,140
19	Total credits (from line 61)			19	
20	Income tax (subtract line 19 from line 18)			20	9,140
21	Other taxes (from line 67)			21	
22	Total (add lines 20 and 21)			22	9,140
23	Total Federal income tax withheld (attach Forms W-2 or W-2P to front)	23	4,012		
24	1972 Estimated tax payments (include amount allowed as credit from 1971 return)	24	2,042		
25	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	25			
26	Other payments (from line 71)	26			
27	Total (add lines 23, 24, 25, and 26)			27	6,054

Bal. Due or Refund

28	If line 22 is larger than line 27, enter BALANCE DUE IRS — Pay in full with return. Make check or money order payable to Internal Revenue Service ▶	28	3,086
29	If line 27 is larger than line 22, enter amount OVERPAID ▶	29	
30	Line 29 to be **REFUNDED TO YOU** ▶	30	
31	Line 29 to be credited on 1973 estimated tax 31		

Foreign Accounts

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) ▶ ☐ Yes ☒ No

Note: Be sure to complete Revenue Sharing (lines 33 and 34) on next page.

Write soc. sec. no. on Check or Money Order.

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

▶ Your signature Date

▶ Wife's (husband's) signature (if filing jointly, BOTH must sign even if only one had income)

▶ Preparer's signature (other than taxpayer) Date

DERMODY BURKE AND BROWN

400 MONTGOMERY ST SYRACUSE NY 13202

Address (and ZIP Code)

16-0922675

Preparer's Emp. Ident. or Soc. Sec. No.

77a BYRNE 4787-40 100
132-14-9128

Form 1040 (1972) Page 2

Other Dependents

(a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $750 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
				$	$

32 Total number of dependents listed in column (a). Enter here and on line 9 ▶

Revenue Sharing

33 Print or type the location of your principal place of residence at end of year (not necessarily the same as your post office address).

(a) State	(b) County	(c) Locality. If you lived inside the boundaries of an incorporated city, town, etc., enter its name; if not, check here ▶ ☐	(d) Township (see instructions on page 8)
NY	ONONDAGA	SYRACUSE	

34 Enter the number of persons included on line 10 who (1) are filing a return of their own; or, (2) did not live at your principal place of residence at the end of the year ▶

For IRS use only—Leave blank

PART I.—Income other than Wages, Dividends, and Interest

35 Business income (or loss) (attach Schedule C)	35	
36 Net gain (or loss) from sale or exchange of capital assets (attach Schedule D)	36	9,568
37 Net gain (or loss) from Supplemental Schedule of Gains and Losses (attach Form 4797)	37	
38 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E)	38	-4,755
39 Farm income (or loss) (attach Schedule F)	39	
40 Fully taxable pensions and annuities (not reported on Schedule E—see instructions on page 8)	40	
41 50% of capital gain distributions (not reported on Schedule D)	41	
42 State income tax refunds (caution—see instructions on page 8)	42	
43 Alimony	43	
44 Other (state nature and source)	44	
45 Total (add lines 35 through 44). Enter here and on line 14 ▶	45	4,813

PART II.—Adjustments to Income

46 "Sick pay" included in income (attach Form 2440 or other required statement)	46	
47 Moving expense (attach Form 3903)	47	
48 Employee business expense (attach Form 2106 or other statement)	48	
49 Payments as a self-employed person to a retirement plan, etc. (see Form 4848)	49	
50 Total adjustments (add lines 46, 47, 48, and 49). Enter here and on line 16 ▶	50	

PART III.—Tax Computation (Do not use this part if you use Tax Tables 1–12 to find your tax.)

51 Adjusted gross income (from line 17)	51	47,768
52 (a) If you itemize deductions, enter total from Schedule A, line 40 and attach Schedule A (b) If you do not itemize deductions, enter 15% of line 51, but do NOT enter more than $2,000. ($1,000 if line 3 is checked)	52	9,573
53 Subtract line 52 from line 51	53	38,195
54 Multiply total number of exemptions claimed on line 10, by $750	54	4,500
55 Taxable income. Subtract line 54 from line 53	55	33,695

(Figure your tax on the amount on line 55 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 18.

PART IV.—Credits

56 Retirement income credit (attach Schedule R)	56	
57 Investment credit (attach Form 3468)	57	
58 Foreign tax credit (attach Form 1116)	58	
59 Credit for contributions to candidates for public office—see instructions on page 9	59	
60 Work Incentive Program credit (attach Form 4874)	60	
61 Total credits (add lines 56, 57, 58, 59, and 60). Enter here and on line 19 ▶	61	

PART V.—Other Taxes

62 Self-employment tax (attach Schedule SE)	62	
63 Tax from recomputing prior-year investment credit (attach Form 4255)	63	
64 Minimum tax (see instructions on page 10). Check here ☐, if Form 4625 is attached	64	
65 Social security tax on tip income not reported to employer (attach Form 4137)	65	
66 Uncollected employee social security tax on tips (from Forms W-2)	66	
67 Total (add lines 62, 63, 64, 65, and 66). Enter here and on line 21 ▶	67	

PART VI.—Other Payments

68 Excess FICA tax withheld (two or more employers—see instructions on page 10)	68	
69 Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	69	
70 Credit from a Regulated Investment Company (attach Form 2439)	70	
71 Total (add lines 68, 69, and 70). Enter here and on line 26 ▶	71	

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)
Department of the Treasury
Internal Revenue Service
► Attach to Form 1040.

1972

Name(s) as shown on Form 1040

MATTHEW V AND ELVIRA C BYRNE

Your social security number 132 14 9128

Schedule A—Itemized Deductions

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)	
2 Medicine and drugs	
3 Enter 1% of line 17, Form 1040	
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)	
5 Enter balance of insurance premiums for medical care not entered on line 1	
6 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, etc.	
7 Total (add lines 4, 5, and 6)	
8 Enter 3% of line 17, Form 1040	
9 Subtract line 8 from line 7. Enter difference (if less than zero, enter zero)	
10 Total deductible medical and dental expenses (Add lines 1 and 9. Enter here and on line 33, below.) ►	

Taxes.

11 Real estate	1,005
12 State and local gasoline (see gas tax tables)	100
13 General sales (see sales tax tables)	683
14 State and local income	822
15 Personal property	
16 Other BEASLEY FARM R E TAXES	40
17 Total taxes (Add lines 11 through 16. Enter here and on line 34, below.) ►	2,650

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 11 for examples.)

CHURCH	289
MISC. ORGANIZED CHARITIES	200
18 Total cash contributions	489
19 Other than cash (see instructions on page 12 for required statement). Enter total for such items here	
20 Carryover from prior years	
21 Total contributions (Add lines 18, 19, and 20. Enter here and on line 35, below.) ►	489

Interest expense.

22 Home mortgage	1,086
23 Installment purchases	
24 Other (Itemize) SEE STATEMENT 4	5,061
25 Total interest expense (Add lines 22, 23 and 24. Enter here and on line 36, below.) ►	6,147

Casualty or theft loss(es) See instructions on page 12. NOTE: If you had more than one casualty or theft loss occurrence, OMIT lines 26 through 29 and see page 12 of the instructions for guidance.

26 Loss before adjustments	
27 Insurance reimbursement	
28 $100 limitation	$100 00
29 Add lines 27 and 28	
30 Casualty or theft loss. (Excess of line 26 over line 29. Enter here and on line 37, below.) ►	
31 Child and dependent care expenses from Form 2441. (Enter here and on line 38, below.) ►	

Miscellaneous deductions for alimony, union dues, etc. (see instructions on page 13).

SEE STATEMENT 5	287
32 Total miscellaneous deductions (Enter here and on line 39, below.) ►	287

Summary of Itemized Deductions

A

33 Total deductible medical and dental expenses (from line 10)	
34 Total taxes (from line 17)	2,650
35 Total contributions (from line 21)	489
36 Total interest expense (from line 25)	6,147
37 Casualty and theft loss(es) (from line 30)	
38 Child and dependent care expenses (from line 31)	
39 Total miscellaneous deductions (from line 32)	287
40 TOTAL ITEMIZED DEDUCTIONS. (Add lines 33 through 39. Enter here and on Form 1040, line 52.) ►	9,573

Schedules A & B (Form 1040) 1972

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040

MATTHEW V AND ELVIRA C BYRNE

Your social security number 132 14 9128

Part I Dividend Income

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $200 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 12a (see note below).

1 Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

(W) GEN MOTORS	156

2 Total of line 1		156
3 Capital gain distributions (see instructions on page 13. Enter here and on Schedule D, line 7). See note below		
4 Nontaxable distributions (see instructions on page 13)		
5 Total (add lines 3 and 4)		
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 12a		156

Part II Interest Income

Note: If interest is $200 or less, do not complete this part. But enter amount of interest received on Form 1040, line 13.

7 Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts)

(H) METROPOLITAN BANK	226
(J) SINCOLN FIRST BANK	21
(H) SYR SAV BK 1/2 WITH J COSTELLO	104
(H) LINCOLN BK 1/2 WITH J COSTELLO	508
8 Total interest income. Enter here and on Form 1040, line 13	859

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 41.

B

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040. ▶ Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.

1972

Name(s) as shown on Form 1040

MATTHEW V AND ELVIRA C BYRNE

Social security number 132 14 9128

Part I Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months

D

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. How acquired Enter letter symbol (see instruction D)	c. Date sold (mo., day, yr.)	Date acquired (mo., day, yr.)	d. Gross sales price	e. Cost or other basis, as adjusted (see instruction E) and expense of sale	f. Gain (or loss) (d less e)
1						

2	Enter your share of net short-term gain (or loss) from partnerships and fiduciaries	2	
3	Enter net gain (or loss), combine lines 1 and 2	3	
4(a)	Short-term capital loss component carryover from years beginning before 1970 (see Instruction H)	4(a)	
4(b)	Short-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	4(b)	
5	Net short-term gain (or loss), combine lines 3, 4(a) and 4(b)	5	

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

6	SEE STATEMENT 3					19,137

7	Capital gain distributions	7	
8	Enter gain if applicable from line 4(a)(1), Form 4797 (see Instruction A)	8	
9	Enter your share of net long-term gain (or loss) from partnerships and fiduciaries	9	
10	Enter your share of net long-term gain from small business corporations (Subchapter S)	10	
11	Net gain (or loss), combine lines 6 through 10	11	19,137
12(a)	Long-term capital loss component carryover from years beginning before 1970 (see Instruction H)	12(a)	
12(b)	Long-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	12(b)	
13	Net long-term gain (or loss), combine lines 11, 12(a) and 12(b)	13	19,137

Part III Summary of Parts I and II

14	Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here	14	19,137
15	**If line 14 shows a gain—**		
	(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part VI for computation of alternative tax). Enter zero if there is a loss or no entry on line 13	15(a)	9,569
	(b) Subtract line 15(a) from line 14. Enter here and on line 36, Form 1040	15(b)	9,568
16	**If line 14 shows a loss—**		
	▶ Omit lines 16(a) and 16(b) and go to Part IV if losses are shown on BOTH lines 12(a) and 13. See Instruction I.		
	▶ Otherwise,		
	(a) Enter one of the following amounts: (i) If amount on line 5 is zero or a net gain, enter 50% of amount on line 14; (ii) If amount on line 13 is zero or a net gain, enter amount on line 14; or, (iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13	16(a)	
	(b) Enter here and enter as a (loss) on line 36, Form 1040, the smaller of: (i) The amount on line 16(a); (ii) $1,000 ($500 if married and filing a separate return—if a loss is shown on line 4(a) or 12(a), see instruction M for a higher limit not to exceed $1,000); or, (iii) Taxable income, as adjusted (see Instruction L)	16(b)	( )

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)

Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040

MATTHEW V AND ELVIRA C BYRNE

Your social security number 132 14 9128

Schedule E—Supplemental Income Schedule

Part I Pension and Annuity Income. If fully taxable, do not complete this part. Enter amount on Form 1040, line 40.
For each pension or annuity not fully taxable, attach a separate Part I and enter combined total of taxable portions on line 5.

1 Name of payer

2 Did your employer contribute part of the cost? . . . . . ☐ Yes ☐ No

If "Yes," is your contribution recoverable within 3 years of the annuity starting date? . . . ☐ Yes ☐ No

If "Yes," show: Your contribution $ _____, Your contribution recovered in prior years $

3 Amount received this year

4 Amount excludable this year

5 Taxable portion (subtract line 4 from line 3)

Part II Rent and Royalty Income. Report rents and royalties here. If you need more space, you may use Form 4831.

Note: If you are reporting farm rental income here that is based on crops or livestock produced by a tenant farmer but you did not materially participate in the operation of the farm, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
1 Totals				

2 Net income (or loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e))

Part III Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations.

If any of the partnership, estate or trust income reported below is from farming, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss	(e) Additional 1st year depreciation (applicable only to partnerships and estates)
SEE STATEMENT 2	X				-4,755	
1 Totals						
2 Income (or loss) Total of column (d) less total of column (e)					-4,755	

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 38) -4,755 -4,755

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above. Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System). Except as otherwise expressly provided in income tax regulations sections 1.167(a)–11(b)(5)(vi) and 1.167(a)–12, the provisions of Revenue Procedures 62–21 and 65–13 are not applicable for taxable years ending after December 31, 1970. If you need more space, use Form 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
5 Totals						

Summary of Depreciation (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other						

E

SCHEDULE G (Form 1040)
Department of the Treasury
Internal Revenue Service

Income Averaging

▶ See Instructions on pages 3 and 4.
▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040

MATTHEW V AND ELVIRA C BYRNE

Your social security number: 132 14 9128

Taxable Income and Adjustments

	(a) Computation year 1972	(b) 1st preceding base period year 1971	(c) 2d preceding base period year 1970	(d) 3d preceding base period year 1969	(e) 4th preceding base period year 1968
1 Taxable income (see instruction 1)	33,695	8,626	12,702	6,964	51,549
2 Income earned outside of the United States or within U.S. possessions and excluded under sections 911 and 931					
3 Excess community income and certain amounts received by owner-employees subject to a penalty under section 72(m) (5). See instruction 3					
4 Accumulation distributions subject to section 668(a)					
5 Adjusted taxable income or base period income. (Line 1 plus line 2, less lines 3 and 4). If less than zero, enter zero	33,695	8,626	12,702	6,964	51,549

Computation of Averagable Income

6 Adjusted taxable income from line 5, column (a)	6	33,695
7 30% of the sum of line 5, columns (b), (c), (d), and (e)	7	23,952
8 Averagable income (line 6 less line 7)	8	9,743

Complete the remaining parts of this form only if line 8 is more than $3,000. If $3,000 or less, you do not qualify for income averaging. Do not fill in rest of form. **G**

Computation of Tax

9 Amount from line 7			9	23,952
10 20% of line 8			10	1,949
11 Total (add lines 9 and 10)			11	25,901
12 Amount from line 3, column (a), less any income subject to a penalty under section 72(m)(5) which was included in line 3			12	
13 Total (add lines 11 and 12)			13	25,901
14 Tax on amount on line 13			14	6,344
15 Tax on amount on line 11	15	6,344		
16 Tax on amount on line 9	16	5,645		
17 Difference (line 15 less line 16)	17	699		
18 Multiply the amount on line 17 by 4			18	2,796
19 Total (add lines 14 and 18)			19	9,140
20 Tax on income subject to the penalty under section 72(m)(5) which was included in line 3			20	
21 Tax on accumulation distributions subject to section 668(a)			21	
22 Tax (add lines 19, 20 and 21). Enter here and on Form 1040, line 18. Also check Schedule G box on Form 1040, line 18			22	9,140

132-14-9128 BYRNE 4787-40 100

1972 FEDERAL INCOME TAX STATEMENTS PAGE 1

STATEMENT 1 - WAGES

EMPLOYER'S NAME AND ADDRESS	FICA	INC. TAX WITHHELD	WAGES ETC.
(H) BYRNE COSTELLO & O BRIEN P C (H) SYRACUSE N Y	468	4,012	42,040
	468**	4,012**	42,040**

STATEMENT 2 - PARTNERSHIP INCOME

	SUBJECT TO SE TAX	OTHER TAXABLE INCOME	TOTAL TAXABLE INCOME
WARRON PROPERTIES 499 S WARREN ST 16-0970145 (H) SYRACUSE NY LOSS		-4,779	-4,779
WOODARD INDUSTRIAL PTSP (H) SYRACUSE NY	24		24
TOTAL INCOME FROM PARTNERSHIPS	24*	-4,779*	-4,755*

STATEMENT 3 - LONG AND SHORT TERM CAPITAL GAINS AND LOSSES

	DATE ACQUIRED	DATE SOLD	SALES PRICE	COST OR OTHER BASIS	GAIN OR LOSS SHORT TERM	GAIN OR LOSS LONG TERM
(H) (E) SYRACUSE INDUSTRIAL PORT	06/30/60	12/29/72	4,507			4,507
(H) (A) ROUTE 48 CORP	06/30/60	07/01/72	27,130	12,500		14,630
TOTAL CAPITAL GAINS OR LOSSES					0**	19,137**

STATEMENT 4 - ITEMIZED INTEREST EXPENSE

MARINE MIDLAND NOTES	658
METROPOLITAN NOTES	813
LINCOLN NOTES	458
PACIFIC NATIONAL NOTES	659
LINCOLN BANK	
1/2 WITH J COSTELLO	1,235
1/3 WITH B C & O B	1,195
BEASLEY FARM MTG	43
TOTAL OTHER INTEREST EXPENSE	5,061**

132-14-9128 BYRNE 4787-40 100

1972 FEDERAL INCOME TAX STATEMENTS PAGE 2

STATEMENT 5 - ITEMIZED MISCELLANEOUS DEDUCTIONS

SAFE DEPOSIT BOX			16
TOTAL MISCELLANEOUS DEDUCTIONS			16**
EMPLOYEE BUSINESS EXPENSE			16**
OTHER BUSINESS EXPENSE			
ENTERTAINMENT	271		
		271*	
TOTAL BUSINESS EXPENSE		271*	
			271*
MISCELLANEOUS OTHER DEDUCTIONS			287**

JOINT EXHIBIT 4D, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

86a

Form **1040** **US** Department of the Treasury / Internal Revenue Service **Individual Income Tax Return** **YOUR COPY** **1970**

For the year January 1–December 31, 1970, or other taxable year beginning ..... 1970, ending ..... 19.....

Please print or type

First name and initial (If joint return, use first names and middle initials of both): Gordon P. and Rhonda F.

Last name: Schopfer

Your social security number: 126 | 07 | 1385

Present home address (Number and street or rural route): 1220 Comstock Avenue

Spouse's social security number: 098 | 18 | 9831

City, town or post office, State and ZIP code: Syracuse, New York 13210

Occupation — Yours: Architect; Spouse's: Housewife

Please attach Copy B of Form W-2 to back

Filing Status—check only one:

1 ☐ Single; 2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately and spouse is also filing. If this item checked give spouse's social security number in space above and enter first name here ►

4 ☐ Unmarried Head of Household

5 ☐ Surviving widow(er) with dependent child

6 ☐ Married filing separately and spouse is not filing

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked
7 Yourself	☒	☐	☐	2
8 Spouse (applies only if item 2 or 6 is checked)	☒	☐	☐	

9 First names of your dependent children who lived with you: Gary, Kevin — Enter number ► 2

10 Number of other dependents (from line 34) ► —

11 Total exemptions claimed ► 4

Income

12	Wages, salaries, tips, etc. (Attach Forms W-2 to back. If unavailable, attach explanation)	12	None
13a	Dividends (see pages 5 and 9 of instr.) $ 904.44 — 13b Less exclusion $ 100.00 — Balance ► (Also list in Part I of Schedule B, if gross dividends and other distributions are over $100)	13c	804 44
14	Interest. Enter total here (also list in Part II of Schedule B, if total is over $100)	14	4,585 38
15	Income other than wages, dividends, and interest (from line 40)	15	31,854 93
16	Total (add lines 12, 13c, 14 and 15)	16	37,244 75
17	Adjustments to income (such as "sick pay," moving expense, etc. from line 45)	17	
18	Adjusted gross income (subtract line 17 from line 16)	18	37,244 75

● See page 2 of instructions for rules under which the IRS will figure your tax and surcharge.
● If you do not itemize deductions and line 18 is under $10,000, find tax in Tables. Enter tax on line 19.
● If you itemize deductions or line 18 is $10,000 or more, go to line 46 to figure tax.

Tax and Surcharge

19	Tax (Check if from: Tax Tables 1–15 ☐, Tax Rate Schedule X, Y, or Z ☒, Schedule D ☐, or Schedule G ☐)	19	7,510 64
20	Tax surcharge. See Tax Surcharge Tables A, B and C in instructions. If you claim retirement income credit, use Schedule R to figure surcharge.)	20	187 77
21	Total (add lines 19 and 20)	21	7,698 41

Payments and Credits

22	Total credits (from line 55)		22	
23	Income tax (subtract line 22 from line 21)		23	7,698 41
24	Other taxes (from line 61)		24	538 20
25	Total (add lines 23 and 24)		25	8,236 61
26	Total Federal income tax withheld (attach Forms W-2 to back)	26		
27	1970 Estimated tax payments (include 1969 overpayment allowed as a credit)	27	10,000 00	
28	Other payments (from line 65)	28	32 40	
29	Total (add lines 26, 27, and 28)		29	10,032 40

Make check or money order payable to Internal Revenue Service.

Please attach Check or Money Order here

Bal. Due or Refund

30	If line 25 is larger than line 29, enter BALANCE DUE. Pay in full with return ►	30	None
31	If line 29 is larger than line 25, enter OVERPAYMENT ►	31	1,795 79
32	Line 31 to be: (a) Credited on 1971 estimated tax ► $ 1,795.79 ; (b) Refunded ►	$	None

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

Your signature ..... Date .....

Spouse's signature (If filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer, based on all information of which he has any knowledge. John A. Mann — Date 4/5/71

Address: Fayetteville, New York

10—81168-1

Foreign Accounts (check appropriate box) ▶ Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? . . . . . ☐ Yes ☒ No.
If "Yes," attach Form 4683. (For definitions, see Form 4683.)

PART I.—Additional Exemptions (Complete only for other dependents claimed on line 10)

33 (a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year write "B" or "D"	(d) Did dependent have income of $625 or more?	(e) Amount YOU furnished for dependent's support, if 100% write "ALL"	(f) Amount furnished by OTHERS including dependent.
				$	$

34 Total number of dependents listed above. Enter here and on line 10 . . . . . ▶

PART II.—Income other than Wages, Dividends, and Interest

35 Business income (or loss) (attach Schedule C)	35	39,481	78
36 Sale or exchange of property (attach Schedule D)	36	761	08
37 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E) . Loss	37	(8,387	93)
38 Farm income (or loss) (attach Schedule F)	38		
39 Miscellaneous income (state nature and source)	39		
40 Total (add lines 35, 36, 37, 38, and 39). Enter here and on line 15 . . . . . ▶	40	31,854	93

PART III.—Adjustments to Income

41 "Sick pay" if included in line 12 (attach Form 2440 or other required statement)	41		
42 Moving expense (attach Form 3903)	42		
43 Employee business expense (attach Form 2106 or other statement)	43		
44 Payments as a self-employed person to a retirement plan, etc. (attach Form 2950SE)	44		
45 Total adjustments (add lines 41, 42, 43, and 44). Enter here and on line 17 . . . . . ▶	45		

PART IV.—Tax Computation

46 Adjusted gross income (from line 18)	46	37,244	75
47 (a) If you itemize deductions, enter total from Schedule A, line 22 (b) If you do not itemize deductions, and line 46 is $10,000 or more, enter $1,000 ($500 if married and filing separately)	47	5,691	82
48 Subtract line 47 from line 46	48	31,552	93
49 Multiply total number of exemptions claimed on line 11, by $625	49	2,500	00
50 Taxable income. Subtract line 49 from line 48. (Figure your tax on this amount by using Tax Rate Schedule X, Y, or Z unless the alternative tax or income averaging is applicable.) Enter tax on line 51	50	29,052	93
51 Tax. Enter here and on line 19 . . . . . ▶	51	7,510	64

PART V.—Credits

52 Retirement income credit (attach Schedule R)	52		
53 Investment credit (attach Form 3468)	53		
54 Foreign tax credit (attach Form 1116)	54		
55 Total credits (add lines 52, 53, and 54). Enter here and on line 22 . . . . . ▶	55		

PART VI.—Other Taxes

56 Self-employment tax (attach Schedule SE)	56	538	20
57 Tax from recomputing prior-year investment credit (attach Form 4255)	57		
58 Minimum tax. See instructions on page 7. Check here ☐, if Form 4625 is attached	58		
59 Social security tax on unreported tip income (attach Form 4137)	59		
60 Uncollected employee social security tax on tips (from Forms W-2)	60		
61 Total (add lines 56, 57, 58, 59, and 60). Enter here and on line 24 . . . . . ▶	61	538	20

PART VII.—Other Payments

62 Excess F.I.C.A. tax withheld (two or more employers—see instructions on page 7)	62		
63 Credit for Federal tax on gasoline, special fuels, and lubricating oil (attach Form 4136)	63	32	40
64 Regulated Investment Company Credit (attach Form 2439)	64		
65 Total (add lines 62, 63, and 64). Enter here and on line 28 . . . . . ▶	65	32	40

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Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040.

1970

Name(s) as shown on Form 1040: Gordon P. and Rhonda F. Schopfer

Your Social Security Number: 126 | 07 | 1385

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care	150	00
2 Medicine and drugs		
3 Enter 1% of line 18, Form 1040		
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)		
5 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, balance of insurance premiums for medical care not entered on line 1, etc.		
6 Total (add lines 4 and 5)		
7 Enter 3% of line 18, Form 1040		
8 Subtract line 7 from line 6. Enter difference (if less than zero, enter zero)		
9 Total deductible medical and dental expenses (Add lines 1 and 8. Enter here and on line 17, below.) ►	150	00

Taxes.—Real estate	379	06
State and local gasoline (see gas tax tables)	73	00
General sales (see sales tax tables)	429	76
State and local income	2,964	66
Personal property		
10 Total taxes (Enter here and on line 18, below.) ►	4,346	48

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 8 for examples)

See Attached Schedule	1,163	84
11 Total cash contributions	1,163	84
12 Other than cash (see instructions on page 8 for required statement). Enter total for such items here		
13 Carryover from prior years (see instructions on page 8)		
14 Total contributions (Add lines 11, 12, and 13. Enter here and on line 19, below. See instructions on page 8 for limitation) ►	1,163	84

Interest expense—Home mortgage		
Installment purchases		
Other (Itemize)		
15 Total interest expense (Enter here and on line 20, below.) ►		

Miscellaneous deductions for child care, alimony, union dues, casualty losses, etc. (see instructions on page 8).

Safe Deposit Box-Invest.	26	50
Bank Tax Service	5	00
16 Total miscellaneous deductions (Enter here and on line 21, below.) ►	31	50

Summary of Itemized Deductions — A

17 Total deductible medical and dental expenses (from line 9)	150	00
18 Total taxes (from line 10)	4,346	48
19 Total contributions (from line 14)	1,163	84
20 Total interest expense (from line 15)		
21 Total miscellaneous deductions (from line 16)	31	50
22 TOTAL ITEMIZED DEDUCTIONS. (Add lines 17 through 21. Enter here and on Form 1040, line 47) ►	5,691	82

Schedules A & B (Form 1040) 1970

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your Social Security Number

Part I Dividend Income

Note: If gross dividends and other distributions on stock are $100 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 13a. (see note below)

1 Gross dividends and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

Through the Chase Manhattan Bank, N.A. Fiduciary N.Y. N.Y.	63	93
(W) Standard Oil Co. of N.J.	348	75
(W) Allied Chemical Corp.	92	40
(W) Eastman Kodak Co.	399	36

2 Total of line 1	904	44
3 Capital gain distributions (see instructions on page 9. Enter here and on Schedule D, Part I, line 7.) See note below		
4 Nontaxable distributions (see instructions on page 9)		
5 Total (add lines 3 and 4)		
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 13a	904	44

Part II Interest Income

Note: If interest is $100 or less, do not complete this part. But enter amount of interest received on Form 1040, line 14.

1 Earnings from savings and loan associations and credit unions (list payers and amounts)

Fair City Sav. & Loan	19	62
Fair City Sav. & Loan	525	00

2 Other Interest on bank deposits, bonds, tax refunds, etc. (list payers and amounts) — B

State Mut. of America	35	82
V.A. Gov't. Life Ins.	66	21
N.Y. Life Ins. Co.	28	56
Rogarvin Inc.	1,449	18
Syr. Sav. Bank	56	41
Syr. Sav. Bank	360	85
Onon. Co. Sav. Bank	94	98
Terminal R.R. Assoc. of St. Louis	20	00
Amer. Tel. & Tel.	275	00
Atlantic City Electric	143	75
Cincinnati Gas & Elec.	137	50
Consumer Power	287	50
Mountain States Tel.& Tel.	210	00
Southern Bell Tel. & Tel.	300	00
Philadelphia Electric	275	00
Pacific Gas & Electric	300	00

3 Total interest income. Enter here and on Form 1040, line 14 — 4,585 38

Note: If you received capital gain distributions and Schedule D is not needed to report any other gains or losses or to compute the alternative tax, you need not file Schedule D. Instead, enter 50 percent of capital gain distributions on Form 1040, line 39, under "Miscellaneous Income," and identify the source as "50% of cap. gain dist."

☆☆☆☆ U.S. GOVERNMENT PRINTING OFFICE: 1970—O-395-259 36-1663080

GORDON P. AND RHONDA F. SCHOPFER
1220 Comstock Avenue
Syracuse, New York 13210

126-07-1385

FORM 1040 - SCHEDULE A - 1970

Contributions

Reformed Church of Syracuse	550.00
Syracuse Girls Club, Inc.	10.00
Syracuse Symphony	245.84
Everson Museum of Art	75.00
Planned Parenthood	5.00
First Presbyterian Church, Geneva, New York	40.00
Community Hospital, University Hospital, Auxiliary & State Univ. Hospital	9.00
American Symphony Orch. League	10.00
Syracuse Wellesley Club	10.00
Camp Dudley Scholarship Funds	60.00
Syracuse Boys' Club	4.00
Boy Scouts	10.00
Blind Artists	5.00
Christmas Seals	5.00
Share	60.00
Mentally Retarded Children	5.00
Lemoyne College	10.00
Rockefeller Church Memorial Fund	15.00
Central N.Y. Art Open	10.00
Pine Manor College	25.00
Total 1970 Contributions	1,163.84

SCHEDULE C (Form 1040)
Department of the Treasury
Internal Revenue Service

Profit (or Loss) From Business or Profession

(Sole Proprietorship)

► Partnerships, joint ventures, etc., must file on Form 1065.
► Attach to Form 1040.

1970

Name as shown on Form 1040: **Gordon P. and Rhonda F. Schopfer**

Social security number: **126 | 07 | 1385**

A Principal business activity (See separate instructions): **Architect**; product (For example: retail—hardware; wholesale—tobacco; services—legal; manufacturing—furniture; etc.)

B Business name: **Gordon P. Schopfer** C Employer Identification Number: **15-0524225**

D Business address: **1047 James Street, Syracuse, New York 13203** (ZIP code)

E Indicate method of accounting: (1) ☐ cash; (2) ☒ accrual; (3) ☐ other.

F Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? ☐ YES ☒ NO. If "Yes," attach explanation.

G Were you required to file Forms 1096 and 1099 or 1087 for the calendar year 1970? (See "Item G" in separate instructions for Schedule C.) ☒ YES ☐ NO. If "Yes," where were they filed? **Andover, Mass.**

1	Gross receipts or gross sales $ ..... Less: Returns and allowances $		$ 194,627 96
2	Inventory at beginning of year (if different from last year's closing inventory attach explanation)		
3	Merchandise purchased $ ....., less cost of any items withdrawn from business for personal use $		
4	Cost of labor (do not include salary paid to yourself)		
5	Material and supplies		
6	Other costs (explain in Schedule C–1)		
7	Total of lines 2 through 6		
8	Inventory at end of this year		
9	Cost of goods sold and/or operations (subtract line 8 from line 7)		
10	Gross profit (subtract line 9 from line 1)		194,627 96
	OTHER BUSINESS DEDUCTIONS		
11	Depreciation (explain in Schedule C–2)	1,389 50	
12	Taxes on business and business property (explain in Schedule C–1)	3,452 71	
13	Rent on business property	7,650 00	
14	Repairs (explain in Schedule C–1)		
15	Salaries and wages not included on line 4 (exclude any paid to yourself)	79,021 41	
16	Insurance	4,185 17	
17	Legal and professional fees	1,320 00	
18	Commissions		
19	Amortization (attach statement)		
20	Retirement plans, etc. (other than contributions made on your behalf—see separate instructions)		
21	Interest on business indebtedness	1,710 13	
22	Bad debts arising from sales or services		
23	Depletion		
24	Other business expenses (explain in Schedule C–1)	56,417 26	
25	Total of lines 11 through 24		155,146 18
26	Net profit (or loss) (subtract line 25 from line 10). Enter here and on line 35, Form 1040. ALSO enter on Schedule SE, Part I, line 1		39,481 78

SCHEDULE C–1. EXPLANATION OF LINES 6, 12, 14, AND 24

C

Line No.	Explanation	Amount	Line No.	Explanation	Amount
12	Social Security	$ 3,013.41	24	Magazines & Books	$ 248.32
12	N.Y. Unemploy. Ins.	200.51	24	Telephone	1,570.43
12	Fed. Unemploy. Ins.	167.09	24	Misc. Expense	222.71
12	N.Y. Sales Tax	71.70	24	Auto & Travel Expense	2,512.92
			24	Entertainment	617.80
24	Supplies	2,309.69	24	Office Expense	2,335.55
24	Surveying & Engineering	42,500.06	24	Professional Dues	1,175.30
24	Blueprints	2,924.48			

16—81171-1

CONTINUATION OF SCHEDULE C–1. EXPLANATION OF LINES 6, 12, 14, AND 24

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		$			$

SCHEDULE C–2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11.—Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column b, enter the cost or other basis of assets held at end of year in column c, and enter the accumulated depreciation at end of year in column d. **Note:** You may (1) group depreciable assets in accordance with the categories specified below or (2) continue to list your assets in the same manner as in prior years. If you need more space, use Form 4562.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						239.00
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
		See Attached Schedule				1,150.50
2 Totals		25,112.27				1,389.50
3 Less: Amount of depreciation claimed elsewhere in Schedule C						
4 Balance—Enter here and on page 1, line 11						1,389.50

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other	1,088.70	61.80			239.00		1,389.50

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than $10,000, or for yourself if your expense account allowance plus line 26, page 1, is less than $10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and Wages
Owner	None	
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with:

(1) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☒ NO

(2) Living accommodations (except employees on business)? ☐ YES ☒ NO

(3) Employees' families at conventions or meetings? ☐ YES ☒ NO

(4) Employee or family vacations not reported on Form W–2? ☐ YES ☒ NO

Form 1040 - Schedule C

Page 2 - Depreciation

GORDON P. SCHOPFER
1047 James Street
Syracuse, New York 13203

15-0524225

December 31, 1970

Kind of Property	Date Acquired	Cost	Depreciation Prior Years	Life	Method	Depreciation This Year
New Office - Remodeling	1/1/57	8,855.20	8,855.20	10 Yr.	S.L.	None
Dictating Machine	9/5/56	181.93	180.93	5 Yr.	S.L.	None
Heater	10/13/55	193.09	192.09	5 Yr.	S.L.	None
Typewriter	2/26/58	242.00	233.93	5 Yr.	S.L.	None
Office Equipment	3/1/57	218.97	217.97	10 Yr.	S.L.	None
Office Furniture	Various	494.06	493.06	10 Yr.	S.L.	None
Office Furniture	1959	142.85	141.85	10 Yr.	S.L.	None
Safe and File	1/5/60	1,561.10	1,000.00	15 Yr.	S.L.	100.00
Office Equipment	1961	142.51	99.00	10 Yr.	S.L.	12.00
Office Furn. & Equip.	1949	1,034.61	1,033.61	10 Yr.	S.L.	None
1963 Buick	3/15/63	3,480.86	2,400.00	3 Yr.	S.L.	None
Bruning Copyflex Machine	7/23/62	817.00	519.17	10 Yr.	S.L.	70.00
Rex-Rotary Machine	10/26/62	262.70	150.50	10 Yr.	S.L.	21.00
Used Refrigerator	6/25/62	209.95	131.25	10 Yr.	S.L.	17.50
Monroe Adding Machine	9/13/63	216.82	139.15	10 Yr.	S.L.	14.52
Used Air Conditioner	1/1/65	230.00	127.94	10 Yr.	D.B.	15.31
Typewriter	6/1/64	159.71	133.67	8 Yr.	D.B.	6.51
New Camera	9/2/65	209.73	144.44	10 Yr.	D.B.	13.06
1968 New Office Equipment	6/14/68	262.85	128.27	10 Yr.	D.B.	26.92
1969 Ford Station Wagon	10/23/68	4,520.33	933.34	3 Yr.	S.L.	800.00
1969 New Equipment	3/24/69	110.00	28.00	10 Yr.	S.L.	8.00
Tape Recorder	7/15/69	212.00	51.78	8 Yr.	S.L.	18.75
New Filing Cabinet	12/12/69	159.00	32.72	10 Yr.	S.L.	11.00
*Olivetti Calculator	10/19/70	1,195.00	None	10 Yr.	S.L.	15.93
Total		25,112.27	1970 Regular Depreciation			1,150.50
			*1970 Bonus Depreciation			239.00
			1970 Total Depreciation			1,389.50

93a

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

► Each self-employed person must file a separate Schedule SE
► Attach to Form 1040.

1970

► If you had wages, including tips, of $7,800 or more that were subject to social security taxes, do not fill in this page.
► If you had more than one business, combine profits (or losses) from all of your businesses and farms on this Schedule SE.

Important.—The self-employment income reported below will be credited to your social security record and used in figuring social security benefits.

Name of self-employed person (as shown on social security card)	Social security number	Check applicable block
Gordon P. Schopfer	126 07 1385	1 ☒ Male 2 ☐ Female

Business activities subject to self-employment tax (grocery store, restaurant, farm, etc.) ► Architect

Part I Computation of Net Earnings from BUSINESS Self-Employment (other than farming)

1	Net profit (or loss) shown in Schedule C (Form 1040), line 26. (Enter combined amount if more than one business.)	39,481 78
2	Net income (or loss) from excluded services or sources included on line 1	
	Specify excluded services or sources	
3	Net earnings (or loss) from business self-employment (Subtract line 2 from line 1, and enter here and on line 1(a), Part III, below.)	39,481 78

Part II Computation of Net Earnings from FARM Self-Employment

SE

A farmer may elect to compute net farm earnings using the OPTIONAL METHOD (line 3, below) INSTEAD OF THE REGULAR METHOD (line 2, below) if his gross profits are: (1) $2,400 or less, or (2) more than $2,400 and net profits are less than $1,600. If your gross profits from farming are not more than $2,400 and you elect to use the optional method, you need not complete lines 1 and 2.

Computation under Regular Method

1	Net farm profit (or loss) from:		
	(a) Schedule F, line 52 (cash method), or line 69 (accrual method)		
	(b) Farm partnerships		
2	Net earnings from self-employment from farming. Add lines 1(a) and (b)		

Computation under Optional Method

3	If gross profits from farming are:*		
	(a) Not more than $2,400, enter two-thirds of the gross profits		
	(b) More than $2,400 and the net farm profit is less than $1,600, enter $1,600		
4	Enter here and on line 1(b), Part III, below, the amount on line 2 (or line 3, if you use the optional method)		

*Note.—*Gross profits from farming are the total of the gross profits from Schedule F, line 28 (cash method), or line 67 (accrual method), plus the distributive share of gross profit from farm partnerships as explained in Instructions for Schedule SE.*

Part III Computation of Social Security Self-Employment Tax

1	Net earnings (or loss) from self-employment—		
	(a) From business (other than farming—from line 3, Part I, above)		39,481 78
	(b) From farming (from line 4, Part II, above)		
	(c) From partnerships, joint ventures, etc. (other than farming)		(10,250 43)
	(d) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here ☐ and enter zero on this line		
	(e) From service with a foreign government or international organization		
	(f) Other (director's fees, etc.). Specify		
2	Total net earnings (or loss) from self-employment reported on line 1		29,231 35
	(If line 2 is less than $400, you are not subject to self-employment tax. Do not fill in rest of page.)		
3	The largest amount of combined wages and self-employment earnings subject to social security tax is	$7,800 00	
4	(a) Total "FICA" wages as indicated on Form W–2		
	(b) Unreported tips, if any, subject to FICA tax from Form 4137, line 9		
	(c) Total of lines 4(a) and 4(b)		
5	Balance (subtract line 4(c) from line 3)	7,800 00	
6	Self-employment income—line 2 or 5, whichever is smaller		7,800 00
7	If line 6 is $7,800, enter $538.20; if less, multiply the amount on line 6 by .069		538 20
8	Railroad employee's and railroad employee representative's adjustment for hospital insurance benefits tax from Form 4469		
9	Self-employment tax (subtract line 8 from line 7). Enter here and on Form 1040, line 56		538 20

16—81171-1 GPO

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service

Sales or Exchanges of Property

► Attach to Form 1040.

1970

Name(s) as shown on Form 1040
Gordon F. and Rhonda F. Schonfer

Social Security Number
126 | 07 | 1335

Part I Capital Assets—Short-term capital gains and losses—assets held not more than 6 months

D.

a. Kind of property. Indicate security, real estate, or other (specify)	b. Description (Examples: 100 sh. of "Z" Co., 2 story brick, etc.)	c. How acquired. Enter letter symbol (see instr.)	d. Date acquired (mo., day, yr.)	e. Date sold (mo., day, yr.)	f. Gross sales price	g. Depreciation allowed (or allowable) since acquisition	h. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	i. Gain (or loss) loss (f plus g less h)
1								

2 Enter your share of net short-term gain (or loss) from partnerships and fiduciaries . . . . . .
3 Enter net gain (or loss) from lines 1 and 2 . . . . . .
4 Enter unused short-term capital loss carryover from preceding taxable years (attach statement) . . .
5 Net short-term gain (or loss) from lines 3 and 4 . . . . . .

Long-term capital gains and losses—assets held more than 6 months

6	Security Rt. Std. Oil, N.J.	D	1966	5/14/70	83.70	None	None	83.70

7 Capital gain distributions Warren Property LTD. Liquidating Dividend 1,438.47
8 Enter gain from Part VII, line 47 or line 51(a), whichever applicable . . . . . .
9 Enter your share of net long-term gain (or loss) from partnerships and fiduciaries . . . . . .
10 Enter your share of net long-term gain from small business corporations (Subchapter S) . . . . . .
11 Net gain (or loss) from lines 6 through 10 . . . . . 1,522.17
12 Enter unused long-term capital loss carryover from preceding taxable years (attach statement) . . .
13 Net long-term gain (or loss) from lines 11 and 12 . . . . . 1,522.17
14 Combine the amounts shown on lines 5 and 13, and enter the net gain (or loss) here 1,522.17
15 If line 14 shows a gain—
(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part IV for computation of alternative tax). Enter zero if there is a loss or no entry on line 13 . . . . . 761.09
(b) Subtract line 15(a) from line 14. Enter here and on line 17, Part II 761.08
16 If line 14 shows a loss—
(a) Add lines 4 and 12 (if lines 4 and 12 are blank, enter a zero here and on lines 16(b) and 16(c) and go to line 16(d)) . . . . . .
(b) Combine lines 3 and 11—if gain, enter gain; if loss, enter zero . . . . . .
(c) Enter smallest of (i) line 16(a) less line 16(b); (ii) line 48, Form 1040 (line 18, Form 1040 if tax table used) disregarding capital gains and/or losses—determine this figure via a side computation; or (iii) $1,000 . . . . . .
(d) Combine lines 3 and 11—If loss, enter loss; if gain, enter zero here and on line 16(e), and go to line 16(f) . . . . . .
(e) Enter smallest of (i) line 48, Form 1040 (line 18, Form 1040 if tax table used) disregarding capital gains and/or losses, less line 16(c)—determine this figure via a side computation; (ii) $1,000 ($500 if married and filing separately); (iii) if line 3 is zero or shows a gain, 50% of line 16(d); (iv) if line 11 is zero or shows a gain, amount on line 16(d); or, (v) if lines 3 and 11 show losses, line 3 added to 50% of line 11. . . . . .
(f) Enter here, and on line 17, Part II, the sum of lines 16(c) and 16(e)—(Do not enter an amount greater than $1,000) . . . . . .

Part II Summary of Schedule D Gains and Losses

17 Net gain (or loss) from line 15(b) or 16(f), Part I 761.08
18 Net gain (or loss) from line 22, Part III . . . . . .
19 Total net gain (or loss), combine lines 17 and 18. Enter here and on line 36, Form 1040 . . . . . 761.08

e70—16—81178-1 370-046

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)

Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
► Attach to Form 1040.

1970

Name(s) as shown on Form 1040: Gordon P. and Rhonda F. Schopfer

Your Social Security Number: 126 | 07 | 1385

Schedule E—Supplemental Income Schedule (Schedule R on back)

Fill out and attach a separate Part I for each pension or annuity. Enter combined total of taxable portions on line 5.

Part I **Pension and Annuity Income.** • If pension or annuity is fully taxable for 1970, complete only lines 1, 2 and 5. • If not fully taxable, complete all lines.

1 Name of payer .....

2 If your employer contributed part of the cost, is your contribution recoverable (or has your contribution been recovered) tax-free within 3 years? ☐ Yes ☐ No.
If "Yes," show: Your contribution $....., Your contribution recovered in prior years $.....

3 Amount received this year . . . . . .

4 Amount excludable . . . . . .

5 Taxable portion (subtract line 4 from line 3) . . . . . .

Part II **Rent and Royalty Income** (if you received rents from the operation of a farm but you did not materially participate in its operation, report rents in column (b). **Note:** If in crop shares, report in year reduced to money or its equivalent. See instructions for Part II on page 12.)

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
Sub-Leased Office 1047 James St. Syracuse, N.Y. 13203	1,775.00			
1 Totals . . . . . ►	1,775.00			

2 Net income (or loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)) . . . 1,775 00

Part III **Income or Losses from Partnerships, Estates or Trusts, and Small Business Corporations**

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss
R. Schopfer Trust-Chase Manhattan Bank		X		13-6025315	37.50
Woodard Industrial Develop. Co.	X			Liverpool, N.Y.	(1,526.31)
Ketcham-Miller-Arnold and Gordon P. Schopfer, Syracuse	X			15-6013953	(1.12)
Merron Prop. Co.-Syracuse, N.Y.	X			15-0970145	(8,723.00)

1 Income (or loss) Total of column (d) . . . . . (10,162 93)

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 37.) Loss ~~(8,337.93)~~

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above. Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column (b), enter the cost or other basis of assets held at end of year in column (c), and enter the accumulated depreciation at end of year in column (d). If you need more space, use Form 4562.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) ►						
2 Totals						

Summary of Depreciation

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other.							

E

16—81173-1

Form **4136**

Department of the Treasury
Internal Revenue Service

Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

Attach this form to your income tax return for calendar year 1970

or other taxable year beginning ....., 1970, ending ....., 19.....

1970

Name (as shown on page 1 of your income tax return)
Gordon P. and Rhonda F. Schopfer

Identifying Number
126-07-1385

Part I

Type of Use	Gasoline—Used for the Year (See Item 1c). Diesel Fuel and Special Motor Fuels—Used after June 30, 1970. Number of Gallons Used (A)	Rate of Tax (B)	Column (A) Multiplied by Column (B) (C)	Lubricating Oil Number of Gallons Used (D)	Rate of Tax (E)	Column (D) Multiplied by Column (E) (F)
1 Nonhighway:						
a. Farm (for farming purposes)		.02 [1] / .04 [1]	$		.06	$
b. Motorboat	1620	.02	32.40		.06	
c. Aviation [3]		.02 [2]			.06	
d. Other (specify)		.02 [3] / .04 [3]			.06	
2 Local transit system [4]		.02				
3 Totals			$ 32.40			$

Part II

Type of Use	Aviation Fuels—Used after June 30, 1970. Fuels Other Than Gasoline (Example, Jet Fuel) Number of Gallons Used (A)	Gasoline [5] Number of Gallons Used (B)	Rate of Tax (C)	Column (A) or (B) Multiplied by Column (C) (D)
4 a. Farm (for farming purposes)			.07	$
			.04 / .07 [6]	
b. Aviation (other than noncommercial as defined in Instruction F.4.(c))			.04 / .07 [6]	
			.07	
5 Total				$
6 Total income tax credit claimed (sum of line 3, columns (C) and (F) and line 5, column (D)				$ 32.40

[1] For gasoline, the 4-cent rate applies. For diesel and special fuels, use the 2-cent or 4-cent rate, whichever is applicable.

[2] Two cents a gallon may be claimed for gasoline used in all aviation before July 1, 1970. (For gasoline used in certain aviation after June 30, 1970, see Item 4.b.)

[3] For gasoline, the 2-cent rate applies. For diesel and special fuels, use the 2-cent or 4-cent rate, whichever is applicable.

[4] Attach a statement with the information required under section 6421 of the Internal Revenue Code and its Regulations. List qualifying "lubricating oil" (see Instruction D) in line 1d, column (D).

[5] The 7-cent rate applies only if the additional retailers tax of 3 cents was paid at the time of purchase.

Instructions

A. Who May File.—Any individual, estate, trust, or corporation, including a small business corporation, claiming credit for Federal excise tax on the number of gallons of gasoline, special fuels, and lubricating oil used must file this form. It should be attached to the income tax return.

Partnerships are not required to file this form because the credit for Federal excise tax on gasoline, special fuels, and lubricating oil used is claimed by the partners. However, partnerships must attach a statement to their returns, Form 1065, showing the allocation to the partners of the number of gallons of gasoline, special fuels, and lubricating oil used by type of use as shown above.

Special refund provisions are available if the credit for any of the first three quarters of your taxable year amounts to $1,000 or more. (See Instruction C.)

D. Time for Filing a Claim for Credit.—An income tax credit will be allowed if claimed within the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable years ending after June 30, 1970. **Note:** For any taxable year ending before July 1, 1970, no income tax credit will be allowed unless claimed not later than the time prescribed for filing the income tax return for that year.

C. Quarterly Tax Refund of $1,000 or More.—For any of the first three quarters of your taxable year, a claim, Form 843, may be filed for refund of tax of $1,000 or more for: (a) gasoline used (except, on the farm for farming purposes), (b) lubricating oil used, or (c) special fuels used after June 30, 1970, (except, on the farm for farming purposes). However, no claim will be allowed unless filed on or before the last day of the following quarter. A claim for gasoline, special fuels, and lubricating oil should provide separate computations as in the format shown above. (If you prefer, you may use the above schedule instead of your own statement to show the separate computations.)

D. What Lubricating Oil to Include.—An income tax credit may be claimed for lubricating oil (other than cutting oils and used oil) that is used otherwise than in a highway motor vehicle. Cutting oils are those oils sold for use on metals in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping). Examples of uses of lubricating oil otherwise than in a highway motor vehicle are oiling plant machinery and lubricating vehicles other than highway motor vehicles, such as bulldozers, power shovels, farm tractors, etc.

JOINT EXHIBIT 5E, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

Form **1040** **US** Department of the Treasury / Internal Revenue Service

Individual Income Tax Return

1971

For the year January 1–December 31, 1971, or other taxable year beginning ..... 1971, ending ..... 19 .....

Please print or type

First name and initial (If joint return, use first names and middle initials of both): Gordon P. & Rhonda F.

Last name: Schopfer

Your social security number: 126 | 07 | 1385

Present home address (Number and street, including apartment number, or rural route): 1220 Comstock Avenue

Spouse's social security number: 098 | 18 | 9831

City, town or post office, State and ZIP code: Syracuse, N.Y. 13210

Occupation: Yours **Architect** Spouse's **Housewife**

Please attach Copy B of Form W-2 to back

Filing Status—check only one:

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately and spouse is also filing. Give spouse's social security number in space above and enter first name here ▶
4 ☐ Unmarried Head of Household
5 ☐ Surviving widow(er) with dependent child
6 ☐ Married filing separately and spouse is not filing

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked
7 Yourself	☒	☐	☐	2
8 Spouse (applies only if item 2 or 6 is checked)	☒	☐	☐	

9 First names of your dependent children who lived with you: Gary, Kevin — Enter number ▶ 2

10 Number of other dependents (from line 33) ▶

11 Total exemptions claimed ▶ 4

Income

12 Wages, salaries, tips, etc. (Attach Forms W-2 to back. If unavailable, attach explanation)	12	None
13a Dividends (see pages 6 and 11 of instr.) $ 813.04 — 13b Less exclusion $ 100.00 — Balance ▶	13c	713 04
(If gross dividends and other distributions are over $100, list in Part I of Schedule B.)		
14 Interest. [If $100 or less, enter total without listing in Schedule B. If over $100, enter total and list in Part II of Schedule B]	14	3,230 49
15 Income other than wages, dividends, and interest (from line 40)	15	15,306 45
16 Total (add lines 12, 13c, 14 and 15)	16	19,249 98
17 Adjustments to income (such as "sick pay," moving expense, etc. from line 45)	17	
18 Adjusted gross income (subtract line 17 from line 16)	18	19,249 98

● See page 3 of instructions for rules under which the IRS will figure your tax.
● If you do not itemize deductions and line 18 is under $10,000, find tax in Tables and enter on line 19.
● If you itemize deductions or line 18 is $10,000 or more, go to line 46 to figure tax.

Tax, Payments and Credits

19 Tax (Check if from: ☐ Tax Tables 1–13, ☒ Tax Rate Sch. X, Y, or Z, ☐ Sch. D, ☐ Sch. G or ☐ Form 4726)		19	1,890 95
20 Total credits (from line 54)		20	(20 95)
21 Income tax (subtract line 20 from line 19)		21	1,870 00
22 Other taxes (from line 60)		22	585 00
23 Total (add lines 21 and 22)		23	2,455 00
24 Total Federal income tax withheld (attach Forms W-2 or W-2P to back)	24		
25 1971 Estimated tax payments (include 1970 overpayment allowed as a credit)	25	6,000 00	
26 Other payments (from line 64)	26	24 30	
27 Total (add lines 24, 25, and 26)		27	6,024 30

YOUR COPY.

Bal. Due or Refund

28 If line 23 is larger than line 27, enter BALANCE DUE. Pay in full with return. Make check or money order payable to Internal Revenue Service ▶	28	None
29 If line 27 is larger than line 23, enter OVERPAYMENT ▶	29	3,569 30
30 Line 29 to be: (a) REFUNDED. Allow at least six weeks for your refund check ▶		
(b) Credited on 1972 estimated tax ▶ 3,569 30		

Foreign Accounts

31 Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? If "Yes," attach Form 4683. (For definitions, see Form 4683.) ▶ ☐ Yes ☒ No

Write soc. sec. no. on Check or Money Order. Attach here

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.

X _____ X _____
Your signature — Date

X _____ X _____
Spouse's signature (if filing jointly, BOTH must sign even if only one had income)

Signature of preparer other than taxpayer, based on all information of which he has any knowledge. — Date

Fayetteville, N.Y.
Address

PART I.—Additional Exemptions (Complete only for other dependents claimed on line 10)

32 (a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $675 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
				$	$

33 Total number of dependents listed above. Enter here and on line 10 . . . . . ►

PART II.—Income other than Wages, Dividends, and Interest

34	Business income or (loss) (attach Schedule C)	34	22,550 85
35	Net gain or (loss) from sale or exchange of capital assets (attach Schedule D)	35	194 77
36	Net gain or (loss) from Supplemental Schedule of Gains and Losses (attach Form 4797)	36	
37	Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E)	37	(7,439 17)
38	Farm income or (loss) (attach Schedule F)	38	
39	Miscellaneous income: (a) Fully taxable pensions and annuities not reported on Schedule E—see instructions on page 7		
	(b) 50% of capital gain distributions (not reported on Schedule D)		
	(c) State income tax refunds (caution—see instructions on page 7)		
	(d) Alimony		
	(e) Other (state nature and source)		
	(f) Total miscellaneous income (add lines 39(a), (b), (c), (d) and (e))	39	
40	Total (add lines 34, 35, 36, 37, 38, and 39). Enter here and on line 15 ►	40	15,306 45

PART III.—Adjustments to Income

41	"Sick pay" if included in line 12 (attach Form 2440 or other required statement)	41	
42	Moving expense (attach Form 3903)	42	
43	Employee business expense (attach Form 2106 or other statement)	43	
44	Payments as a self-employed person to a retirement plan, etc. (attach Form 2950SE)	44	
45	Total adjustments (add lines 41, 42, 43, and 44). Enter here and on line 17 ►	45	

PART IV.—Tax Computation (Do not use this part if you use Tax Tables 1–13 to find your tax.)

46	Adjusted gross income (from line 18)	46	19,249 98
47	(a) If you itemize deductions, enter total from Schedule A, line 32 and attach Schedule A (b) If you do not itemize deductions, and line 46 is: (1) $10,000 or more but less than $11,538.43, enter 13% of line 46 (2) $11,538.43 or more, enter $1,500. Note: deduction under (1) or (2) is limited to $750 if married and filing separately.	47	6,227 49
48	Subtract line 47 from line 46	48	13,022 49
49	Multiply total number of exemptions claimed on line 11, by $675	49	2,700 00
50	Taxable income. Subtract line 49 from line 48 ►	50	10,322 49

(Figure your tax on the amount on line 50 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 19.

PART V.—Credits

51	Retirement income credit (attach Schedule R)	51	
52	Investment credit (attach Form 3468)	52	20 95
53	Foreign tax credit (attach Form 1116)	53	
54	Total credits (add lines 51, 52, and 53). Enter here and on line 20 ►	54	20 95

PART VI.—Other Taxes

55	Self-employment tax (attach Schedule SE)	55	585 00
56	Tax from recomputing prior-year investment credit (attach Form 4255)	56	
57	Minimum tax (see instructions on page 8). Check here ☐, if Form 4625 is attached	57	
58	Social security tax on unreported tip income (attach Form 4137)	58	
59	Uncollected employee social security tax on tips (from Forms W-2)	59	
60	Total (add lines 55, 56, 57, 58, and 59). Enter here and on line 22 ►	60	585 00

PART VII.—Other Payments

61	Excess FICA tax withheld (two or more employers—see instructions on page 8)	61	
62	Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	62	24 30
63	Regulated Investment Company Credit (attach Form 2439)	63	
64	Total (add lines 61, 62, and 63). Enter here and on line 26 ►	64	24 30

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Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040.

1971

Name(s) as shown on Form 1040: **Gordon P. & Rhonda F. Schopfer**

Your social security number: **126 07 1385**

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)	150	00
2 Medicine and drugs	108	60
3 Enter 1% of line 18, Form 1040	192	49
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)	-0-	
5 Enter balance of insurance premiums for medical care not entered on line 1	530	23
6 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, etc.		
Dr. Alderman-Carter	750	00
Glasses - E. Group	86	00
Dr. Robert Bersani	8	00
Dr. Sydney Stringer	72	00
Com. Gen. Hospital	16	00
Crouse Irving Hosp.	5	00
CHAG Anesthesia Group.	6	00
Dieu Hospital	8	00
Dr. Walter Woods	92	00
7 Total (add lines 4, 5, and 6)	1,573	23
8 Enter 3% of line 18, Form 1040	577	48
9 Subtract line 8 from line 7. Enter difference (if less than zero, enter zero)	995	75
10 **Total deductible medical and dental expenses** (Add lines 1 and 9. Enter here and on line 27, below.) ►	1,145	75

Taxes.

11 Real estate	983	13
12 State and local gasoline (see gas tax tables)	73	00
13 General sales (see sales tax tables)	345	92
14 State and local income	2,050	29
15 Personal property		
16 Other Sales Tax-New Car	150	00
17 **Total taxes** (Add lines 11 through 16. Enter here and on line 28, below.) ►	3,602	34

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 10 for examples)

See Attached Schedule	1,447	90
18 Total cash contributions	1,447	90
19 Other than cash (see instructions on page 10 for required statement). Enter total for such items here		
20 Carryover from prior years		
21 **Total contributions** (Add lines 18, 19, and 20. Enter here and on line 29, below.)	1,447	90

Interest expense.

22 Home mortgage		
23 Installment purchases		
24 Other (Itemize)		
25 **Total interest expense** (Add lines 22, 23, and 24. Enter here and on line 30, below.) ►		

Miscellaneous deductions for child care, alimony, union dues, casualty losses, etc. (see instructions on page 10).

Invest. Expense	4	75
Safe Dep. Box - Invest.	26	75
26 **Total miscellaneous deductions** (Enter here and on line 31, below.) ►	31	50

Summary of Itemized Deductions — A

27 Total deductible medical and dental expenses (from line 10)	1,145	75
28 Total taxes (from line 17)	3,602	34
29 Total contributions (from line 21)	1,447	90
30 Total interest expense (from line 25)		
31 Total miscellaneous deductions (from line 26)	31	50
32 **TOTAL ITEMIZED DEDUCTIONS.** (Add lines 27 through 31. Enter here and on Form 1040, line 47.) ►	6,227	49

Schedules A & B (Form 1040) 1971

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

Part I Dividend Income

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $100 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 13a. (see note below)

1 Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

Thru Chase Manhattan Bank N.A. Fiduciary N.Y.,N.Y.	(w)	26	80
St'd. Oil N.J.	(w)	353	40
Eastman Kodak Co.	(w)	411	84
Heitman Mort. Invest.	(w)	7	50
First Albany Corp.	(w)	3	50
2 Total of line 1		813	04
3 Capital gain distributions (see instructions on page 11. Enter here and on Schedule D, line 7.) See note below			
4 Nontaxable distributions (see instructions on page 11)			
5 Total (add lines 3 and 4)			
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 13a		813	04

Part II Interest Income

Note: If interest is $100 or less, do not complete this part. But enter amount of interest received on Form 1040, line 14.

7 Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 11). (List payers and amounts)

Fair City Sav. & Loan	363	12
Fair City Sav. & Loan	187	39
Fair City Sav. & Loan	25	63
State Mut. Of America	39	32
V.A. Gov't. Life Ins.	77	76
Syr. Sav. Bank	433	27
Syr. Sav. Bank	95	69
Onon. Sav. Bank	28	97
Terminal R.R. Assn. of St. Louis	20	00
A T & T Debentures	275	00
Atlantic City Electric	143	75
Cincinnati Gas & Elec.	137	50
Consumer Power	287	50
Mountain States Tel & Tel	210	00
Southern Bell Tel & Tel	300	00
Phila. Electric	275	00
Pacific Gas & Elec.	300	00
N.Y. Life Ins. Co.	30	59
8 Total interest income. Enter here and on Form 1040, line 14	3,230	49

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 39(b).

B

☆ U.S. GOVERNMENT PRINTING OFFICE:1971—O-418-140 13-107-6020

GORDON P. AND RHONDA F. SCHOPFER 126-07-1385
1220 Comstock Avenue
Syracuse, New York 13210

FORM 1040 - Schedule A - 1971

Contributions

Reformed Church of Syracuse	540.00
Syracuse Girls Club, Inc.	5.00
Syracuse Symphony	309.00
Everson Museum of Art	240.40
Planned Parenthood	5.00
First Presbyterian Church, Geneva, N.Y.	30.00
Community Hospital, University Hospital, Auxiliary & State Univ. Hospital	3.00
American Symphony Orch. League	10.00
Syracuse Wellesley Club Charity Fund	10.00
Camp Dudley Scholarship Funds	4.00
Syracuse Boys' Club	10.50
Easter Seals	2.00
Boy Scouts	10.00
Unicef	62.50
Lions Charity Fund	10.00
Blind Artists	5.00
Christmas Seals	4.00
United Fund	115.00
Girls Club of Syracuse	5.00
Harmony Circle Inc.	3.00
Pitcher Hill Church	2.00
Junior C. of C. Youth Program	5.00
Canal Museum	35.00
Dewitt Community Church	10.00
Carthage Fire Dept.	12.50
Total 1971 Contributions	1,447.90

SCHEDULE C (Form 1040)

Department of the Treasury Internal Revenue Service

Profit (or Loss) From Business or Profession

(Sole Proprietorship)

► Partnerships, joint ventures, etc., must file on Form 1065.
► Attach to Form 1040.

1971

Name(s) as shown on Form 1040: Gordon P. & Rhonda F. Schopfer

Social security number: 126 | 07 | 1385

A Principal business activity (See separate instructions): Architect; product: ____
(For example: retail—hardware; wholesale—tobacco; services—legal; manufacturing—furniture; etc.)

B Business name: Gordon P. Schopfer — C Employer Identification Number: 15-0524225

D Business address: 1111 James Street, Syracuse, New York 13203 (ZIP code)

E Indicate method of accounting: (1) ☐ cash; (2) ☒ accrual; (3) ☐ other.

F Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories?
☐ YES ☒ NO. If "Yes," attach explanation.

G Were you required to file Forms 1096 and 1099 or 1087 for the calendar year 1971? (See "Item G" in separate instructions for Schedule C.)
☒ YES ☐ NO. If "Yes," where were they filed? ► Andover, Mass.

1	Gross receipts or gross sales $ ____ Less: Returns and allowances $ ____		$ 139,459 61
2	Inventory at beginning of year (if different from last year's closing inventory attach explanation)		
3	Merchandise purchased $ ____, less cost of any items withdrawn from business for personal use $ ____		
4	Cost of labor (do not include salary paid to yourself)		
5	Material and supplies		
6	Other costs (explain in Schedule C–1)		
7	Total of lines 2 through 6		
8	Inventory at end of this year		
9	Cost of goods sold and/or operations (subtract line 8 from line 7)		139,459 61
10	Gross profit (subtract line 9 from line 1)		
	OTHER BUSINESS DEDUCTIONS		
11	Depreciation (explain in Schedule C–2)	1,330 25	
12	Taxes on business and business property (explain in Schedule C–1)	3,517 19	
13	Rent on business property	6,637 50	
14	Repairs (explain in Schedule C–1)	236 30	
15	Salaries and wages not included on line 4 (exclude any paid to yourself)	73,622 21	
16	Insurance	3,978 21	
17	Legal and professional fees	1,320 00	
18	Commissions		
19	Amortization (attach statement)		
20	(a) Pension and profit-sharing plans (See Instructions).		
	(b) Employee benefit programs (See Instructions)		
21	Interest on business indebtedness	1,758 99	
22	Bad debts arising from sales or services		
23	Depletion		
24	Other business expenses (explain in Schedule C–1)	24,508 11	
25	Total of lines 11 through 24		116,908 76
26	Net profit (or loss) (subtract line 25 from line 10). Enter here and on line 34, Form 1040. ALSO enter on Schedule SE, Part I, line 1		22,550 85

SCHEDULE C–1. EXPLANATION OF LINES 6, 12, 14, AND 24

C

Line No.	Explanation	Amount	Line No.	Explanation	Amount
12	Social Security	$ 3,043.63	24	Professional Dues	$ 1,255.38
12	N.Y. Unemploy. Ins.	325.57	24	Mag. & Books	145.67
12	Fed. Unemploy. Ins.	147.99	24	Telephone	2,007.55
			24	Interior Painting	834.60
14	Interior Office Rep.	236.30	24	Misc. Expense	468.33
			24	Auto & Travel Exp.	2,537.30
24	Supplies	1,972.54	24	Entertainment	1,127.69
24	Surveying and Engineering	8,498.90	24	Office Expense	3,847.36
24	Blueprints & Printing	1,812.79			

CONTINUATION OF SCHEDULE C–1. EXPLANATION OF LINES 6, 12, 14, AND 24

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		$			$

SCHEDULE C–2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62–21 and 65–13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. You may (1) group depreciable assets in accordance with the categories shown below, or (2) continue to list your assets in the same manner as in prior years. If you need more space, use Form 4562.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
27 Total additional first-year depreciation (do not include in items below)						59.86
28 Depreciation from Form 4832						
29 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
See Form 4562						1,270.39
30 Totals		14,187.00				1,330.25
31 Less: Amount of depreciation claimed elsewhere in Schedule C						
32 Balance—Enter here and on page 1, line 11						1,330.25

SUMMARY OF DEPRECIATION (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
33 Under Rev. Procs. 62–21 and 65–13						
34 Depreciation from Form 4832						
35 Other	1,250.86	19.53				1,270.39

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than $10,000, or for yourself if your expense account allowance plus line 26, page 1, is less than $10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and Wages
Owner	None	
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with:

(1) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☒ NO (3) Employees' families at conventions or meetings? ☐ YES ☒ NO

(2) Living accommodations (except employees on business)? ☐ YES ☒ NO (4) Employer pr family vacations not reported on Form W–2? ☐ YES ☒ NO

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971—O-418-143 (E.I. 13-8566295)

SCHEDULE D (Form 1040)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040. ▶ Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.

1971

Name(s) as shown on Form 1040: Gordon P. & Rhonda F. Schopfer

Social security number: 126 07 1955

Part I Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months — D

	a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. How acquired. Enter letter symbol (see instructions)	c. Mo., day, yr. (Put date sold above dotted line and date acquired below dotted line)	d. Gross sales price	e. Cost or other basis, as adjusted, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	f. Gain or (loss) (d less e)
1	~~120 Shares~~ Anthony Industries	A	9/15/71 ~~9/8/71~~	1,137.50	1,056.78	80 72

2	Enter your share of net short-term gain or (loss) from partnerships and fiduciaries	2	~~80 72~~
3	Enter net gain or (loss), combine lines 1 and 2	3	
4(a)	Short-term capital loss component carryover from years beginning before 1970 (see Instruction H)	4(a)	
4(b)	Short-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	4(b)	
5	Net short-term gain or (loss), combine lines 3, 4(a) and 4(b)	5	~~80 72~~

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

6	~~11 Shares~~ Allied Chemical	A	~~1/1/71~~ ~~1955~~	1,915.38	1,768.12	147 26
	~~60 Shares~~ Loomis Corp.	A	8/23/71 ~~2/17/71~~	1,065.00	984.15	80 85

7	Capital gain distributions	7	
8	Enter gain if applicable from line 4(a)(1), Form 4797 (see Instruction A)	8	
9	Enter your share of net long-term gain or (loss) from partnerships and fiduciaries	9	
10	Enter your share of net long-term gain from small business corporations (Subchapter S)	10	~~228 11~~
11	Net gain or (loss), combine lines 6 through 10	11	
12(a)	Long-term capital loss component carryover from years beginning before 1970 (see Instruction H)	12(a)	
12(b)	Long-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	12(b)	~~228 11~~
13	Net long term gain or (loss), combine lines 11, 12(a) and 12(b)	13	

Part III Summary of Parts I and II

14	Combine the amounts shown on lines 5 and 13, and enter the net gain (loss) here	14	~~308 83~~
15	**If line 14 shows a gain—**		
	(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part VI for computation of alternative tax). Enter zero if there is a loss or no entry on line 13	15(a)	114 06 ~~194 77~~
	(b) Subtract line 15(a) from line 14. Enter here and on line 35, Form 1040	15(b)	
16	**If line 14 shows a loss**—See Instruction I.		
	▶ Omit lines 16(a) and 16(b) and go to Part IV if losses are shown on lines 12(a) and 13.		
	▶ Otherwise,		
	(a) Enter one of the following amounts:		
	(i) If amount on line 5 is zero or a net gain, enter 50% of amount on line 14;		
	(ii) If amount on line 13 is zero or a net gain, enter amount on line 14; or,		
	(iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13	16(a)	
	(b) Enter here and on line 35, Form 1040, the smaller of:		
	(i) The amount on line 16(a);		
	(ii) $1,000 ($500 if married and filing a separate return—if losses are shown on lines 4(a) and 5, see Instruction K for a higher limit not to exceed $1,000); or,		
	(iii) Taxable income, as adjusted (see instruction J)	16(b)	

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)
Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
▶ Attach to Form 1040.

1971

Name(s) as shown on Form 1040

Gordon P. & Rhonda F. Schopfer

Your social security number: 126 | 07 | 1385

Schedule E—Supplemental Income Schedule (Schedule R on back)

Part I **Pension and Annuity Income.** If fully taxable, do not complete this part. Enter amount on Form 1040, line 39(a). For each pension or annuity not fully taxable, attach a separate Part I and enter combined total of taxable portions on line 5.

1 Name of payer _____

2 Did your employer contribute part of the cost? ☐ Yes ☐ No. If "Yes," is your contribution recoverable within 3 years of the annuity starting date? ☐ Yes ☐ No

If "Yes," show: Your contribution $_____, Your contribution recovered in prior years $_____

3 Amount received this year . . . . . .

4 Amount excludable this year . . . . . .

5 Taxable portion (subtract line 4 from line 3) . . . . . .

Part II **Rent and Royalty Income.** Report rents and royalties here. If you need more space, you may use Form 4831.

Note: If you are reporting farm rental income here that is based on crops or livestock produced by a tenant farmer but you did not materially participate in the operation of the farm, see instr. on page 14 to determine if you should also file Form 4835.

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
Sub Leased Office 1111 James St. Syracuse, N.Y.	900.00			
1 Totals	900.00			

2 Net income or (loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)) . . 900 00

Part III **Income or Losses From Partnerships, Estates or Trusts, and Small Business Corporations.** If any of the partnership, estate or trust income reported below is from farming, see instructions on page 14, to determine if you should also file Form 4835.

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss
Warren Prop. Co.	X			16-0970145	(6,827.03)
Woodard Indust. Develop Co.	X			Liverpool, N.Y.	(1,564.22)
R. Schopfer-Trust-Chase Manhattan Bank		X		13-6025815	52.08

1 Income or (loss) Total of column (d) . . . . . (8,339 17)

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 37) (7,439 17)

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above.

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62-21 and 65-13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. If you need more space, use Form 4562.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Other depreciation:						
4 Totals						

Summary of Depreciation (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13 .						
2 Depr. from Form 4832 . .						
3 Other . . .						

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

► Each self-employed person must file a Schedule SE.
► Attach to Form 1040.

1971

► If you had wages, including tips, of $7,800 or more that were subject to social security taxes, do not fill in this page.
► If you had more than one business, combine profits and losses from all your businesses and farms on this Schedule SE.

Important.—The self-employment income reported below will be credited to your social security record and used in figuring social security benefits.

Name of self-employed person (as shown on social security card): Gordon P. Schopfer

Social security number of self-employed person: 126 07 1385

Business activities subject to self-employment tax (grocery store, restaurant, farm, etc.) ► Architect

Part I Computation of Net Earnings from BUSINESS Self-Employment (other than farming)

1 Net profit (or loss) shown in Schedule C (Form 1040), line 26. (Enter combined amount if more than one business.)	22,550	85
2 Net income (or loss) from excluded services or sources included on line 1		
Specify excluded services or sources		
3 Net earnings (or loss) from business self-employment (Subtract line 2 from line 1, and enter here and on line 8(a), Part III below.)	22,550	85

Part II Computation of Net Earnings from FARM Self-Employment

SE

A farmer may elect to compute net farm earnings using the OPTIONAL METHOD (line 6, below) INSTEAD OF THE REGULAR METHOD (line 5, below) if his gross profits are: (1) $2,400 or less, or (2) more than $2,400 and net profits are less than $1,600. If your gross profits from farming are not more than $2,400 and you elect to use the optional method, you need not complete lines 4 and 5.

Computation under Regular Method		
4 Net farm profit (or loss) from:		
(a) Schedule F, line 52 (cash method), or line 71 (accrual method)		
(b) Farm partnerships		
5 Net earnings from self-employment from farming. Add lines 4(a) and (b)		
Computation under Optional Method		
6 If gross profits from farming are:*		
(a) Not more than $2,400, enter two-thirds of the gross profits		
(b) More than $2,400 and the net farm profit is less than $1,600, enter $1,600		

*Note.—*Gross profits from farming are the total of the gross profits from Schedule F, line 28 (cash method), or line 69 (accrual method), plus the distributive share of gross profit from farm partnerships as explained in instructions for Schedule SE.*

7 Enter here and on line 8(b), Part III, below, the amount on line 5 (or line 6, if you use the optional method)		

Part III Computation of Social Security Self-Employment Tax

8 Net earnings (or loss) from self-employment—		
(a) From business (other than farming) from line 3, Part I, above	22,550	85
(b) From farming (from line 7, Part II, above)		
(c) From partnerships, joint ventures, etc. (other than farming)	(8,391	25)
(d) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here ☐ and enter zero on this line		
(e) From service with a foreign government or international organization		
(f) Other (director's fees, etc.). Specify		
9 Total net earnings (or loss) from self-employment reported on line 8	14,159	60
(If line 9 is less than $400, you are not subject to self-employment tax. Do not fill in rest of page.)		
10 The largest amount of combined wages and self-employment earnings subject to social security tax is	$7,800	00
11 (a) Total "FICA" wages as indicated on Form W-2		
(b) Unreported tips, if any, subject to FICA tax from Form 4137, line 9		
(c) Total of lines 11(a) and 11(b)		
12 Balance (subtract line 11(c) from line 10)	7,800	00
13 Self-employment income—line 9 or 12, whichever is smaller	7,800	00
14 If line 13 is $7,800, enter $585.00; if less, multiply the amount on line 13 by .075	585	00
15 Railroad employee's and railroad employee representative's adjustment for hospital insurance benefits tax from Form 4469		
16 Self-employment tax (subtract line 15 from line 14). Enter here and on Form 1040, line 55	585	00

Form **3468**

Department of the Treasury
Internal Revenue Service

Computation of Job Development Investment Credit

▶ Attach to your tax return.
Use this form for—Calendar year 1971,
Fiscal years beginning in 1970 and ending in 1971, and
Fiscal years beginning in 1971 and ending in 1972.

1971

The investment credit has been restored for property ordered by the taxpayer after March 31, 1971, or acquired by the taxpayer after August 15, 1971, regardless of when ordered.

The credit has also been restored for property where construction, reconstruction, or erection was begun by the taxpayer after March 31, 1971, or where the construction, reconstruction, or erection was completed by the taxpayer after August 15, 1971, regardless of when begun. In the case of property (except pre-termination property) where construction, reconstruction, or erection is begun by the taxpayer before April 1, 1971, only that portion of the basis attributable to construction, reconstruction, or erection after August 15, 1971, is taken into account in determining the credit.

For pre-termination property eligible for credit under prior law, see the instructions for the different life years.

Name: **Gordon P. & Rhonda F. Schopfer**

Identifying number as shown on page 1 of your tax return: **126-07-1385**

1 Qualified investment in new and used property (See instruction C for eligible property)
NOTE: Include your share of investment in property by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New Property	(a)	3 or more but less than 5		33⅓	
	(b)	5 or more but less than 7		66⅔	
	(c)	7 or more	299.28	100	299.28
Used Property (See instructions for dollar limitation)	(d)	3 or more but less than 5		33⅓	
	(e)	5 or more but less than 7		66⅔	
	(f)	7 or more		100	

2 Total qualified investment—Add lines 1(a) through 1(f)	299.28
3 Tentative investment credit—7% (4% for public utility property) of line 2	20.95
4 Carryback and carryover of unused credit(s). (See instruction 4 for special limitation—attach computation.)	
5 Total—Add lines 3 and 4	20.95

Limitation

6 (a) Individuals—Enter amount from line 19, page 1, Form 1040	1,863.50
(b) Estates and trusts—Enter amount from line 24 or 25, page 1, Form 1041	
(c) Corporations—Enter amount from line 7, Schedule J, Form 1120	
7 Individuals, estates, and trusts: (a) Foreign tax credit	
(b) Retirement income credit	
8 Total—Add lines 7(a) and (b)	
9 Line 6 less line 8	1,863.50
(Married persons filing separately, controlled corporate groups, estates and trusts, see instruction 10)	
10 (a) Enter amount on line 9 or $25,000, whichever is lesser	1,863.50
(b) If line 9 exceeds $25,000, enter 50% of the excess	
11 Total—Add lines 10(a) and (b)	1,863.50
12 Investment credit—Enter amount from line 5 or line 11, whichever is lesser	20.95

Schedule A

If any part of your investment in 1 above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following:

Name (Partnership, estate, trust, etc.)	Address	Property		
		New	Used	Life years
		$	$	

Form **4136**

Department of the Treasury
Internal Revenue Service

Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

Attach this form to your income tax return for calendar year 1971

or other taxable year beginning ....., 1971, ending ....., 19.....

1971

Name (as shown on page 1 of your income tax return)
Gordon P. & Rhonda F. Schopfer

Identifying number
126-07-1385

Part I

Type of Use	Gasoline, Diesel Fuel and Special Motor Fuels: Number of Gallons Used (A)	Rate of Tax (B)	Column (A) Multiplied by Column (B) (C)	Lubricating Oil [4]: Number of Gallons Used (D)	Rate of Tax (E)	Column (D) Multiplied by Column (E) (F)
1 Nonhighway:						
a. Farm (for farming purposes)		.02 [1] / .04 [1]	$		.06	$
b. Motorboat	1215	.02	24.30		.06	
c. Other (specify)		.02 [2] / .04 [2]			.06	
2 Local transit system [3]		.02				
3 Totals			$ 24.30			$

Part II

Type of Use	Aviation Fuels: Fuels Other Than Gasoline (Example, Jet Fuel) Number of Gallons Used (A)	Gasoline [5] Number of Gallons Used (B)	Rate of Tax (C)	Column (A) or (B) Multiplied by Column (C) (D)
4 a. Farm (for farming purposes)			.07	$
			.04	
			.07 [5]	
b. Aviation (other than noncommercial as defined in Instruction F.4.(c))			.04	
			.07 [5]	
			.07	
5 Total				$
6 Total income tax credit claimed (sum of line 3, columns (C) and (F) and line 5, column (D))				$ 24.30

[1] For gasoline, the 4-cent rate applies. For diesel and special fuels, use the 2-cent or 4-cent rate, depending on the rate paid.

[2] For gasoline, the 2-cent rate applies. For diesel and special fuels, use the 2-cent or 4-cent rate, depending on the rate paid.

[3] Attach a statement with the information required under section 6421 of the Internal Revenue Code and its Regulations. List qualifying "lubricating oil" (see instruction D) in line 1c, column (D).

[4] Lubricating oil used in aircraft should be listed on line 1c, column (D).

[5] The 7-cent rate applies only if the additional retailers tax of 3 cents was paid at the time of purchase.

Instructions

A. Who May File.—Any individual, estate, trust, or corporation, including a small business corporation, claiming credit for Federal excise tax on the number of gallons of gasoline, special fuels, and lubricating oil used must file this form. It should be attached to the income tax return.

Partnerships are not required to file this form because the credit for Federal excise tax on gasoline special fuels, and lubricating oil used is claimed by the partners. However, partnerships must attach a statement to their returns, Form 1065, showing the allocation to the partners of the number of gallons of gasoline, special fuels, and lubricating oil used by type of use as shown above.

Special refund provisions are available if the credit for any of the first three quarters of your taxable year amounts to $1,000 or more. (See Instruction C.)

B. Time for Filing a Claim for Credit.—An income tax credit will be allowed if claimed within the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable years.

C. Quarterly Tax Refund of $1,000 or More.—For any of the first three quarters of your taxable year, a claim, Form 843, may be filed for refund of tax of $1,000 or more for: (a) gasoline used (except, on the farm for farming purposes), (b) lubricating oil used, or (c) special fuels used (except, on the farm for farming purposes) during a calendar quarter. However, no claim will be allowed unless filed on or before the last day of the following quarter. A claim for gasoline, special fuels, and lubricating oil should provide separate computations as in the format shown above. (If you prefer, you may use the above schedule instead of your own statement to show the separate computations.)

D. What Lubricating Oil to Include.—An income tax credit may be claimed for lubricating oil (other than cutting oils and used oil) that is used otherwise than in a highway motor vehicle. Cutting oils are those oils sold for use on metals in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping). Examples of uses of lubricating oil otherwise than in a highway motor vehicle are oiling plant machinery and lubricating vehicles other than highway motor vehicles, such

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation

▶ See instructions.
▶ Attach this form to your return.

1971

Name(s) as shown on return

Gordon P. & Rhonda F. Schopfer

Identifying number **126-07-1385**

This is an optional form to be used as an attachment to an individual, partnership, fiduciary, or corporation return. The totals on line 4 below must be included on the corresponding lines of the regular depreciation schedule. Taxpayers must also complete the Summary of Depreciation provided on the applicable form or schedule.

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62–21 and 65–13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. You may (1) group depreciable assets in accordance with the categories shown below, or (2) continue to list your assets in the same manner as in prior years.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						59.86
2 ADR depreciation from Form 4832						
3 Other depreciation:						
Buildings						
Furniture and fixtures	Various	494.06	493.06	S.L.	10Yr.	None
Transportation equipment	1/11/71	4,907.66	None	S.L.	3Yr.	800.00
Machinery and other equipment						
Other (specify) Heater	10/13/55	193.09	192.09	S.L.	5Yr.	None
Dictating Machine	9/5/56	181.93	180.93	S.L.	5Yr.	None
Typewriter	2/26/58	242.00	233.93	S.L.	5Yr.	None
Office Equipment	3/1/57	218.97	217.97	S.L.	10Yr.	None
Office Furniture	1959	142.85	141.85	S.L.	10Yr.	None
Safe and File	1/5/60	1,561.10	1,100.00	S.L.	15Yr.	100.00
Office Equipment	1961	142.51	111.00	S.L.	10Yr.	31.51
Office Furn.& Equip.	1949	1,034.61	1,033.61	S.L.	10Yr.	None
Bruning Copyflex Mach.	7/23/62	817.00	588.17	S.L.	10Yr.	70.00
Rex-Rotary Machine	10/26/62	262.70	171.50	S.L.	10Yr.	21.00
Used Refrigerator	6/25/62	209.95	148.75	S.L.	10Yr.	17.50
Adding Machine	9/13/63	216.82	153.67	S.L.	10Yr.	14.52
Air Conditioner	1/1/65	230.00	143.25	S.L.	10Yr.	21.69
Typewriter	6/1/64	159.71	140.18	D.B.	8Yr.	19.53
New Camera	9/2/65	209.73	157.50	S.L.	10Yr.	10.45
1968 Office Equip.	6/14/68	262.85	155.19	S.L.	10Yr.	15.38
1969 New Equipment	3/24/69	110.00	36.00	S.L.	10Yr.	8.00
Tape Recorder	7/15/69	212.00	70.53	S.L.	8Yr.	18.75
New Filing Cabinet	12/12/69	159.00	43.72	S.L.	10Yr.	11.00
Calculator	10/19/70	1,195.00	254.93	S.L.	10Yr.	95.00
Air Conditioner	10/19/71	299.28	None	S.L.	10Yr.	2.99
Elec. Improv.	10/26/71	724.18	None	S.L.	10Yr.	12.07
4 Totals		14,187.00				1,330.25

These totals should also be included on the corresponding lines of your regular depreciation schedule. (For example: If depreciation applies to Schedule F (Form 1040), include the totals on Schedule F, line 56.)

Instructions

Note: A new system for determining depreciation is effective for certain classes of assets placed in service after December 31, 1970. This system is "Class Life Asset Depreciation Range." Taxpayers who want to use this depreciation system should use Form 4832 (Revised), for making the election and determining the reasonable allowance for depreciation.

Reasonable Allowance.—You may deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or of property held for the production of income. The allowance is not allowed for stock in trade, inventories, land and personal assets.

Charge off the cost (or other basis) to be recovered over the expected useful life of the property. Depreciation begins when the asset is placed in service and ends when the asset is retired from service.

In computing the basis on which depreciation may be taken for personal property other than livestock, you need not take into account salvage value that does not exceed 10 percent of the cost or other basis of the property. If the salvage value exceeds 10 percent, take only the excess into account. These provisions apply to property acquired after October 16, 1962, and having a useful life of three years or more.

Alternative Depreciation Guidelines and Rules.—Taxpayers using lives previously justified under Rev. Procs. 62–21 and 65–13 may continue to use these lives for assets placed in service before January 1, 1971. (Note: See Form 4832 (Revised) for information regarding optional method available for depreciation of certain classes of assets placed in service after December 31, 1970.)

Depreciation Methods.—The various methods of depreciation which may be used under section 167(b) are:

Straight Line Method.—The depreciation for each year is determined by dividing the cost or other basis of the property, by the remaining useful life of the

(Continued on back)

JOINT EXHIBIT 6F, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

113a

YOUR COPY

Form **1040 US** Department of the Treasury / Internal Revenue Service

Individual Income Tax Return 1972

For the year January 1–December 31, 1972, or other taxable year beginning ____, 1972, ending ____, 19____

Please print or type

First name and initial (If joint return, use first names and middle initials of both)	Last name	Your social security number (Husband's, if joint return)
Gordon P. and Rhonda F.	Schopfer	126 | 07 | 1385
Present home address (Number and street, including apartment number, or rural route)		Wife's number, if joint return
1220 Comstock Avenue		098 | 18 | 9831
City, town or post office, State and ZIP code	Occupation	Yours: Architect
Syracuse, New York 13210		Wife's: Housewife

Please attach Copy B of Form W-2 here

Filing Status—check only one:

1 ☐ Single
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separately. If wife (husband) is also filing give her (his) social security number and first name here.
4 ☐ Unmarried Head of Household
5 ☐ Widow(er) with dependent child (Enter year of death of husband (wife) ▶ 19)

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked
6 Yourself	☒	☐	☐	2
7 Wife (husband)	☒	☐	☐	

8 First names of your dependent children who lived with you: Gary, Kevin — Enter number ▶ 2

9 Number of other dependents (from line 32) ▶

10 Total exemptions claimed ▶ 4

Income

11	Wages, salaries, tips, and other employee compensation. (Attach Form W-2 in front. If unavailable, attach explanation)	11	None
12a	Dividends (see pages 6 and 13 of instr.) $ 942.40 12b Less exclusion $ 100.00 Balance ▶ (If gross dividends and other distributions are over $200, list in Part I of Schedule B.)	12c	842 40
13	Interest income. [If $200 or less, enter total without listing in Schedule B. If over $200, enter total and list in Part II of Schedule B]	13	5,487 82
14	Income other than wages, dividends, and interest (from line 45)	14	23,013 98
15	Total (add lines 11, 12c, 13 and 14)	15	29,344 20
16	Adjustments to income (such as "sick pay," moving expenses, etc. from line 50)	16	
17	Subtract line 16 from line 15 (adjusted gross income)	17	29,344 20

● **Caution:** *If you have unearned income and you could be claimed as a dependent on your parent's return, see boxed instruction on page 7, under the heading "Tax-Credits-Payments." Check this block* ☐.

● *If you do not itemize deductions and line 17 is under $10,000, find tax in Tables and enter on line 18.*

● *If you itemize deductions or line 17 is $10,000 or more, go to line 51 to figure tax.*

Tax, Payments and Credits

18	Tax, check if from: ☐ Tax Tables 1–12, ☐ Schedule D, ☒ Tax Rate Schedule X, Y, or Z, ☐ Schedule G or ☐ Form 4726			18	4,154 31
19	Total credits (from line 61)			19	
20	Income tax (subtract line 19 from line 18)			20	4,154 31
21	Other taxes (from line 67)			21	675 00
22	Total (add lines 20 and 21)			22	4,829 31
23	Total Federal income tax withheld (attach Forms W-2 or W-2P to front)	23			
24	1972 Estimated tax payments (include amount allowed as credit from 1971 return)	24	6,000 00		
25	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	25			
26	Other payments (from line 71)	26	22 92		
27	Total (add lines 23, 24, 25, and 26)			27	6,022 92

Bal. Due or Refund

28	If line 22 is larger than line 27, enter BALANCE DUE IRS. Pay in full with return. Make check or money order payable to Internal Revenue Service ▶	28	None
29	If line 27 is larger than line 22, enter amount OVERPAID ▶	29	1,193 61
30	Line 29 to be REFUNDED TO YOU ▶	30	
31	Line 29 to be credited on 1973 estimated tax ▶ 31 | 1,193 | 61		

Foreign Accounts

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution)? ▶ ☐ Yes ☒ No
If "Yes," attach Form 4683. (For definitions, see Form 4683.)

Note: Be sure to complete Revenue Sharing (lines 33 and 34) on next page.

Write soc. sec. no. on Check or Money Order. Attach here

Sign here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

X _____ Your signature — Date

X _____ Wife's (husband's) signature (If filing jointly, BOTH must sign even if only one had income)

John W. Moore 4/9/73 Preparer's signature (other than taxpayer) — Date

Fayetteville, N.Y. 13066 Address (and ZIP Code) — Preparer's Emp. Ident. or Soc. Sec. No. 15-0547502

JOINT EXHIBIT # 6F

Other Dependents

(a) NAME	(b) Relationship	(c) Months lived in your home. If born or died during year, write B or D.	(d) Did dependent have income of $750 or more?	(e) Amount YOU furnished for dependent's support. If 100% write ALL.	(f) Amount furnished by OTHERS including dependent.
				$	$

32 Total number of dependents listed in column (a). Enter here and on line 9 ▶

Revenue Sharing

33 Print or type the location of your principal place of residence at end of year (not necessarily the same as your post office address).

(a) State	(b) County	(c) Locality. If you lived inside the boundaries of an incorporated city, town, etc., enter its name; if not, check here ▶ ☐	(d) Township (see instructions on page 8)
N.Y.	Onondaga	Syracuse	

34 Enter the number of persons included on line 10 who (1) are filing a return of their own; or, (2) did not live at your principal place of residence at the end of the year ▶ 2

For IRS use only—leave blank

PART I.—Income other than Wages, Dividends, and Interest

35	Business income (or loss) (attach Schedule C)	35	24,883 54
36	Net gain (or loss) from sale or exchange of capital assets (attach Schedule D)	36	834 59
37	Net gain (or loss) from Supplemental Schedule of Gains and Losses (attach Form 4797)	37	
38	Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Schedule E)	38	(2,704 15)
39	Farm income (or loss) (attach Schedule F)	39	
40	Fully taxable pensions and annuities (not reported on Schedule E—see instructions on page 8)	40	
41	50% of capital gain distributions (not reported on Schedule D)	41	
42	State income tax refunds (caution—see instructions on page 8)	42	
43	Alimony	43	
44	Other (state nature and source)	44	
45	Total (add lines 35 through 44). Enter here and on line 14 ▶	45	23,013 98

PART II.—Adjustments to Income

46	"Sick pay" if included in income (attach Form 2440 or other required statement)	46	
47	Moving expense (attach Form 3903)	47	
48	Employee business expense (attach Form 2106 or other statement)	48	
49	Payments as a self-employed person to a retirement plan, etc. (see Form 4848)	49	
50	Total adjustments (add lines 46, 47, 48, and 49). Enter here and on line 16 ▶	50	

PART III.—Tax Computation (Do not use this part if you use Tax Tables 1–12 to find your tax.)

51	Adjusted gross income (from line 17)	51	29,344 20
52	(a) If you itemize deductions, enter total from Schedule A, line 40 and attach Schedule A (b) If you do not itemize deductions, enter 15% of line 51, but do NOT enter more than $2,000. ($1,000 if line 3 is checked)	52	7,150 25
53	Subtract line 52 from line 51	53	22,193 95
54	Multiply total number of exemptions claimed on line 10, by $750	54	3,000 00
55	Taxable income. Subtract line 54 from line 53	55	19,193 95

(Figure your tax on the amount on line 55 by using Tax Rate Schedule X, Y or Z, or if applicable, the alternative tax from Schedule D, income averaging from Schedule G, or maximum tax from Form 4726.) Enter tax on line 18.

PART IV.—Credits

56	Retirement income credit (attach Schedule R)	56	
57	Investment credit (attach Form 3468)	57	
58	Foreign tax credit (attach Form 1116)	58	
59	Credit for contributions to candidates for public office—see instructions on page 9	59	
60	Work Incentive Program credit (attach Form 4874)	60	
61	Total credits (add lines 56, 57, 58, 59, and 60). Enter here and on line 19 ▶	61	

PART V.—Other Taxes

62	Self-employment tax (attach Schedule SE)	62	675 00
63	Tax from recomputing prior-year investment credit (attach Form 4255)	63	
64	Minimum tax (see instructions on page 10). Check here ☐, if Form 4625 is attached	64	
65	Social security tax on tip income not reported to employer (attach Form 4137)	65	
66	Uncollected employee social security tax on tips (from Forms W–2)	66	
67	Total (add lines 62, 63, 64, 65, and 66). Enter here and on line 21 ▶	67	675 00

PART VI.—Other Payments

68	Excess FICA tax withheld (two or more employers—see instructions on page 10)	68	
69	Credit for Federal tax on special fuels, nonhighway gasoline and lubricating oil (attach Form 4136)	69	22 92
70	Credit from a Regulated Investment Company (attach Form 2439)	70	
71	Total (add lines 68, 69, and 70). Enter here and on line 26 ▶	71	22 92

☆☆☆☆U.S. GOVERNMENT PRINTING OFFICE: 1972—O-480-671 [illegible]

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040.

1972

Name(s) as shown on Form 1040: Gordon P. and Rhonda F. Schopfer

Your social security number: 126 | 07 | 1385

Schedule A—Itemized Deductions (Schedule B on back)

Medical and dental expenses (not compensated by insurance or otherwise) for medicine and drugs, doctors, dentists, nurses, hospital care, insurance premiums for medical care, etc.

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)	150	00
2 Medicine and drugs		
3 Enter 1% of line 17, Form 1040		
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)	-0-	
5 Enter balance of insurance premiums for medical care not entered on line 1	587	86
6 Itemize other medical and dental expenses. Include hearing aids, dentures, eyeglasses, transportation, etc.		
Dr. Walter Woods	1,671	00
Dr. Marvin Alderman	705	00
Western Reserve Clinic	10	00
Crouse Irving Hospital	5	00
Dr. Edward Group	150	00
Dr. Sydney Stringer	16	00
Dr. Allen Prescott	10	00
Dr. Robert Bersani	16	00
7 Total (add lines 4, 5, and 6)	3,170	86
8 Enter 3% of line 17, Form 1040	880	33
9 Subtract line 8 from line 7. Enter difference (if less than zero, enter zero)	2,290	53
10 Total deductible medical and dental expenses (Add lines 1 and 9. Enter here and on line 33, below.) ►	2,440	53

Taxes.

11 Real estate	1,930	33
12 State and local gasoline (see gas tax tables)	77	00
13 General sales (see sales tax tables)	445	20
14 State and local income	416	66
15 Personal property		
16 Other		
17 Total taxes (Add lines 11 through 16. Enter here and on line 34, below.) ►	2,869	19

Contributions.—Cash—including checks, money orders, etc. (Itemize—see instructions on page 11 for examples.)

See Attached Schedule	1,215	50
18 Total cash contributions	1,215	50
19 Other than cash (see instructions on page 12 for required statement). Enter total for such items here		
20 Carryover from prior years		
21 Total contributions (Add lines 18, 19, and 20. Enter here and on line 35, below.) ►	1,215	50

Interest expense.

22 Home mortgage		
23 Installment purchases		
24 Other (itemize)		
Woodard Develop. Co.	548	28
25 Total interest expense (Add lines 22, 23 and 24. Enter here and on line 36, below.) ►	548	28

Casualty or theft loss(es)
See instructions on page 12. NOTE: If you had more than one casualty or theft loss occurrence, OMIT lines 26 through 29 and see page 12 of the instructions for guidance.

26 Loss before adjustments		
27 Insurance reimbursement		
28 $100 limitation	$100	00
29 Add lines 27 and 28		
30 Casualty or theft loss. (Excess of line 26 over line 29. Enter here and on line 37, below.) ►		
31 Child and dependent care expenses from Form 2441. (Enter here and on line 38, below.) ►		

Miscellaneous deductions for alimony, union dues, etc. (see instructions on page 13)

Political Contribution	50	00
Safe Deposit Box - Invest	26	75
32 Total miscellaneous deductions (Enter here and on line 39, below.) ►	76	75

Summary of Itemized Deductions

A

33 Total deductible medical and dental expenses (from line 10)	2,440	53
34 Total taxes (from line 17)	2,869	19
35 Total contributions (from line 21)	1,215	50
36 Total interest expense (from line 25)	548	28
37 Casualty and theft loss(es) (from line 30)		
38 Child and dependent care expenses (from line 31)		
39 Total miscellaneous deductions (from line 32)	76	75
40 TOTAL ITEMIZED DEDUCTIONS. (Add lines 33 through 39. Enter here and on Form 1040, line 52.) ►	7,150	25

Schedules A & B (Form 1040) 1972

Schedule B—Dividend and Interest Income

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

Part I Dividend Income

Note: If gross dividends (including capital gain distributions) and other distributions on stock are $200 or less, do not complete this part. But enter gross dividends less the sum of capital gain distributions and non-taxable distributions, if any, on Form 1040, line 12a (see note below).

1 Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly)

Thru Chase Manhattan Bank N.A. Fiduciary N.Y.C.	109	06
Std. Oil of N.J.	353	40
Eastman Kodak Co.	427	44
Heitman Mort. Investors	52	50
2 Total of line 1	942	40
3 Capital gain distributions (see instructions on page 13. Enter here and on Schedule D, line 7). See note below		
4 Nontaxable distributions (see instructions on page 13)		
5 Total (add lines 3 and 4)		
6 Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 12a	942	40

Part II Interest Income

Note: If interest is $200 or less, do not complete this part. But enter amount of interest received on Form 1040, line 13.

7 Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts)

Rogarvin, Inc.	2,421	98
Fair City Sav. & Loan	631	30
Fair City Sav. & Loan	32	31
State Mut. of America	43	01
V.A. Life Ins.	93	63
N.Y. Life Ins. Co.	32	72
Syracuse Sav. Bank	100	57
Syracuse Sav. Bank	183	55
Terminal R.R. Assoc. of St. Louis	20	00
AT & T Debentures	275	00
Atlantic City Electric	143	75
Cincinnati Gas & Elec.	137	50
Consumer Power	287	50
Mountain States Tel & Tel.	210	00
Phila. Electric	275	00
Pacific Gas & Electric	300	00
Southern Bell Tel. & Tel.	300	00
8 Total interest income. Enter here and on Form 1040, line 13	5,487	82

Note: If you received capital gain distributions and do not need Schedule D to report any other gains or losses or to compute the alternative tax, do not file that schedule. Instead, enter 50 percent of capital gain distributions on Form 1040, line 41.

B

☆☆☆☆ U.S. GOVERNMENT PRINTING OFFICE : 1972 O-456-428

R.L. 10-2057300

Gordon P. and Rhonda F. Schopfer
1220 Comstock Avenue
Syracuse, New York 13210

126-07-1385

FORM 1040 - Schedule A - 1972

Contributions

Southwood Baptist Church	20.00
Reformed Church of Syracuse	530.00
Syracuse Girls Club, Inc.	10.00
Syracuse Symphony	164.00
Everson Museum of Art	95.00
Planned Parenthood	5.00
First Presbyterian Church, Geneva, N.Y.	40.00
Community Hospital, University Hospital, Auxiliary & State Univ. Hospital	9.00
American Symphony Orch. League	10.00
Camp Dudley Scholarship Funds	6.00
Syracuse Boys Club	4.50
Easter Seals	2.00
Boy Scouts	10.00
Lions Charity Fund	10.00
Blind Artists	5.00
Christmas Seals	3.00
United Fund	263.00
Harmony Circle Inc.	3.00
Canal Museum	6.00
Reformed Church Scholarship Fund	20.00
Total 1972 Contributions	1,215.50

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service

Profit (or Loss) From Business or Profession

(Sole Proprietorship)

► Attach to Form 1040.
► Partnerships, joint ventures, etc., must file Form 1065.

1972

Name(s) as shown on Form 1040

Gordon P. and Rhonda F. Schopfer

Social security number: 126 | 07 | 1385

A Principal business activity (See Schedule C Instructions): Architect ; product
(For example: retail—hardware; wholesale—tobacco; services—legal; manufacturing—furniture; etc.)

B Business name: Gordon P. Schopfer C Employer Identification Number: 15-0524225

D Business address (number and street): 1111 James Street

City, State and ZIP code: Syracuse, New York 13203

E Indicate method of accounting: (1) ☐ cash; (2) ☒ accrual; (3) ☐ other.

F Were you required to file Form 1096 for 1972? (See Schedule C Instructions) ☒ YES ☐ NO. If "Yes," where filed? ► Andover, Mass.

G Is this business located within the boundaries of the city, town, etc., indicated? ☒ YES ☐ NO.

H Did you own this business at the end of 1972? ☒ YES ☐ NO.

I How many months in 1972 did you own this business? 12

J Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1972? ☒ YES ☐ NO.

C

IMPORTANT—All applicable lines and schedules must be filled in.

INCOME	1	Gross receipts or sales $123,457.78 less returns and allowances $ ..... Balance ►	123,457	78
	2	Less: Cost of goods sold and/or operations (Schedule C–1, line 8)		
	3	Gross profit		
	4	Other income (attach schedule)		
	5	TOTAL income (add lines 3 and 4)	123,457	78
DEDUCTIONS	6	Depreciation (explain in Schedule C–2)	1,299	65
	7	Taxes on business and business property (explain in Schedule C–3)	2,980	85
	8	Rent on business property	6,487	34
	9	Repairs (explain in Schedule C–3)		
	10	Salaries and wages not included on line 3, Schedule C–1 (exclude any paid to yourself)	56,027	14
	11	Insurance	4,347	84
	12	Legal and professional fees	1,320	00
	13	Commissions		
	14	Amortization (attach statement)		
	15	(a) Pension and profit-sharing plans (see Schedule C Instructions)		
		(b) Employee benefit programs (see Schedule C Instructions)		
	16	Interest on business indebtedness	2,255	53
	17	Bad debts arising from sales or services		
	18	Depletion		
	19	Other business expenses (specify):		

(a) Supplies	2,508	50
(b) Surveying & Engineering	9,885	91
(c) Blueprints & Printing	1,163	43
(d) Professional Dues	1,577	16
(e) Magazines & Books	305	66
(f) Telephone	2,186	88
(g) Misc. Expense	290	82
(h) Auto & Travel Expense	3,690	79
(i) Entertainment	824	41
(j) Office Expense	1,422	28
(k)		
(l)		
(m)		
(n)		
(o)		

		(p) Total other business expenses (add lines 19(a) through 19(o))	23,855	89
	20	Total deductions (add lines 6 through 19)	98,574	24
	21	Net profit (or loss) (subtract line 20 from line 5). Enter here and on line 35, Form 1040. ALSO enter on Schedule SE, line 1	24,883	54

SCHEDULE C–1. COST OF GOODS SOLD AND/OR OPERATIONS (See Schedule C Instructions for line 2)

1	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
2	Purchases $ ..... Less cost of items withdrawn for personal use $ ..... Balance ►	
3	Cost of labor (do not include salary paid to yourself)	
4	Materials and supplies	
5	Other costs (attach schedule)	
6	Total of lines 1 through 5	
7	Less: Inventory at end of year	
8	Cost of goods sold and/or operations. Enter here and on line 2, page 1.	

Method of inventory valuation ►

Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? ☐ YES ☐ NO. If "Yes," attach explanation.

SCHEDULE C–2. DEPRECIATION (See Schedule C Instructions for line 6)

Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System). Except as otherwise expressly provided in income tax regulations sections 1.167(a)–11(b)(5)(vi) and 1.167(a)–12, the provisions of Revenue Procedures 62–21 and 65–13 are not applicable for taxable years ending after December 31, 1970. If you need more space, use Form 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
See Attached Form 4562						1,299 65
5 Totals		11,377.27				1,299 65
6 Less amount of depreciation claimed in Schedule C–1						
7 Balance—Enter here and on page 1, line 6						1,299 65

SUMMARY OF DEPRECIATION (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other	1,299.65					1,299 65

SCHEDULE C–3. EXPLANATION OF LINES 7 AND 9

Line No.	Explanation	Amount
7	Social Security	$ 2,424 35
7	N.Y. Unemploy. Ins.	401 92
7	Fed. Unemploy. Ins.	154 58

Line No.	Explanation	Amount
		$

SCHEDULE C–4. EXPENSE ACCOUNT INFORMATION (See Schedule C Instructions for Schedule C–4)

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than $10,000, or for yourself if your expense account allowance plus line 21, page 1, is less than $10,000.

	Name	Expense account	Salaries and Wages
	Owner		
1			
2			
3			
4			
5			

Did you claim a deduction for expenses connected with:

(1) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☒ NO (3) Employees' families at conventions or meetings? ☐ YES ☒ NO

(2) Living accommodations (except employees on business)? ☐ YES ☒ NO (4) Employee or family vacations not reported on Form W–2? ☐ YES ☒ NO

☆☆☆☆ U.S. GOVERNMENT PRINTING OFFICE: 1972—O-456-277 E.I. 12-8681289

Form **4562**
Department of the Treasury
Internal Revenue Service

Depreciation

▶ See instructions.
▶ Attach this form to your return.

1972

Name(s) as shown on return: Gordon P. & Rhonda F. Schopfer

Identifying number: 126-07-1385

This form may be used as an attachment to an individual, partnership, fiduciary, or corporation return. The totals on line 5 below must be included on the corresponding lines of the regular depreciation schedule. Taxpayers must also complete the Summary of Depreciation provided on the applicable form or schedule.

Note: *If you elected the Class Life (ADR) System and/or the Guideline Class Life System this taxable year, check the applicable box(es) in the Note of "Schedule for Depreciation Claimed in Part II Above" section of Schedule E (Form 1040).*

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment	1/11/71	4,907.66	800.00	S.L.	3Yr.	800.00
Machinery and other equipment						
Other (specify)						
Safe and File	1/5/60	1,561.10	1,200.00	S.L.	15Yr.	100.00
Bruning CopyflexMach.	7/23/62	817.00	659.17	S.L.	10Yr.	70.00
Rex-Rotary Machine	10/26/62	262.70	192.50	S.L.	10Yr.	21.00
Used Refrigerator	6/25/62	209.95	166.25	S.L.	10Yr.	17.50
Adding Machine	9/13/63	216.82	168.19	S.L.	10Yr.	14.52
Air Conditioner	1/1/65	230.00	164.94	S.L.	10Yr.	21.69
Typewriter	6/1/64	Scrapped	159.71	D.B.	8Yr.	None
New Camera	9/2/65	209.73	167.95	S.L.	10Yr.	10.45
1968 Office Equip.	6/14/68	262.85	170.57	S.L.	10Yr.	15.38
1969 New Equipment	3/24/69	110.00	44.00	S.L.	10Yr.	8.00
Tape Recorder	7/15/69	212.00	89.28	S.L.	8Yr.	18.75
New Filing Cabinet	12/12/69	159.00	54.72	S.L.	10Yr.	11.00
Calculator	10/19/70	1,195.00	349.93	S.L.	10Yr.	95.00
Air Conditioner	10/19/71	299.28	63.85	S.L.	10Yr.	23.94
Elec. Improv.	10/26/71	724.18	12.07	S.L.	10Yr.	72.42
5 Totals		11,377.27				1,299.65

These totals should also be included on the corresponding lines of your regular depreciation schedule. (For example: If depreciation applies to Schedule F (Form 1040), include the totals on Schedule F, line 59.)

Instructions

Note: *Instructions for Class Life (ADR) System and Guideline Class Life System are contained in separate instructions for Form 4832 (Class Life (ADR) System) and Form 5006 (Guideline Class Life System). Also see Publication 534, Tax on Depreciation.*

Reasonable Allowance.—You may deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or of property held for the production of income. The allowance is not allowed for stock in trade, inventories, land and personal assets.

Charge off the cost (or other basis) to be recovered over the expected useful life of the property. Depreciation begins when the asset is placed in service and ends when the asset is retired from service.

In computing the basis on which depreciation may be taken for personal property other than livestock, you need not take into account salvage value that does not exceed 10 percent of the cost or other basis of the property. If the salvage value exceeds 10 percent, take only the excess into account. These provisions apply to property acquired after October 16, 1962, and having a useful life of three years or more.

Depreciation Methods.—The various methods of depreciation which may be used under section 167(b) are:

Straight Line Method.—The depreciation for each year is determined by dividing the cost or other basis of the property, by the remaining useful life of the property. The cost or other basis must be adjusted by depreciation allowed or allowable in prior years and salvage value if applicable.

Declining Balance Method.—Apply a uniform rate each year to the remaining cost or other basis of property determined at the beginning of the year, without adjustment for salvage value.

(Continued on back)

SCHEDULE SE (Form 1040)
Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

▶ Each self-employed person must file a Schedule SE.
▶ Attach to Form 1040.

1972

▶ If you had wages, including tips, of $9,000 or more that were subject to social security taxes, do not fill in this page.
▶ If you had more than one business, combine profits and losses from all your businesses and farms on this Schedule SE.

Important.—The self-employment income reported below will be credited to your social security record and used in figuring social security benefits.

NAME OF SELF-EMPLOYED PERSON (AS SHOWN ON SOCIAL SECURITY CARD)

Gordon P. Schopfer

Social security number of self-employed person: 126 | 07 | 1385

Business activities subject to self-employment tax (grocery store, restaurant, farm, etc.) ▶ Architect

Part I Computation of Net Earnings from BUSINESS Self-Employment (other than farming)

1 Net profit (or loss) shown in Schedule C (Form 1040), line 21. (Enter combined amount if more than one business.)	24,883	54
2 Net income (or loss) from excluded services or sources included on line 1. Specify excluded services or sources		
3 Net earnings (or loss) from business self-employment (Subtract line 2 from line 1, and enter here and on line 8(a), below.)	24,883	54

Part II Computation of Net Earnings from FARM Self-Employment

SE

A farmer may elect to compute net farm earnings using the OPTIONAL METHOD (line 6, below) INSTEAD OF THE REGULAR METHOD (line 5, below) if his gross profits are: (1) $2,400 or less, or (2) more than $2,400 and net profits are less than $1,600. If your gross profits from farming are not more than $2,400 and you elect to use the optional method, you need not complete lines 4 and 5.

Computation under Regular Method

4 Net farm profit (or loss) from:			
(a) Schedule F, line 54 (cash method), or line 74 (accrual method)			
(b) Farm partnerships			
5 Net earnings from self-employment from farming. Add lines 4(a) and (b)			

Computation under Optional Method

6 If gross profits from farming are:*			
(a) Not more than $2,400, enter two-thirds of the gross profits			
(b) More than $2,400 and the net farm profit is less than $1,600, enter $1,600			

*Note.—*Gross profits from farming are the total of the gross profits from Schedule F, line 28 (cash method), or line 72 (accrual method), plus the distributive share of gross profit from farm partnerships as explained in instructions for Schedule SE.*

7 Enter here and on line 8(b), below, the amount on line 5 (or line 6, if you use the optional method)		

Part III Computation of Social Security Self-Employment Tax

8 Net earnings (or loss) from self-employment—			
(a) From business (other than farming) from line 3, above			24,883 54
(b) From farming (from line 7, above)			(2,704 15)
(c) From partnerships, joint ventures, etc. (other than farming)			
(d) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here ☐ and enter zero on this line			
(e) From service with a foreign government or international organization			
(f) Other (director's fees, etc.). Specify			22,179 39
9 Total net earnings (or loss) from self-employment reported on line 8			
(If line 9 is less than $400, you are not subject to self-employment tax. Do not fill in rest of page.)			
10 The largest amount of combined wages and self-employment earnings subject to social security tax for 1972 is	$9,000	00	
11 (a) Total "FICA" wages as indicated on Form W-2			
(b) Unreported tips, if any, subject to FICA tax from Form 4137, line 9			
(c) Total of lines 11(a) and 11(b)	9,000	00	
12 Balance (subtract line 11(c) from line 10)			9,000 00
13 Self-employment income—line 9 or 12, whichever is smaller			675 00
14 If line 13 is $9,000, enter $675.00; if less, multiply the amount on line 13 by .075			
15 Railroad employee's and railroad employee representative's adjustment for hospital insurance benefits tax from Form 4469			
16 Self-employment tax (subtract line 15 from line 14). Enter here and on Form 1040, line 62			675 00

SCHEDULE D (Form 1040)
Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1040. ▶ Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.

1972

Name(s) as shown on Form 1040: Gordon P. and Rhonda F. Schopfer

Social security number: 126 07 1385

Part I Short-term Capital Gains and Losses—Assets Held Not More Than 6 Months

D

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. How acquired. Enter letter symbol (see instruction D)	c. Mo., day, yr. (Put date sold above dotted line and date acquired below dotted line)	d. Gross sales price	e. Cost or other basis, as adjusted (see instruction E) and expense of sale	f. Gain (or loss) (d less e)
1 100 Shares Compugraphic Corp.	A	2/11/72 9/22/71	1,462.50	1,136.23	326 27

2	Enter your share of net short-term gain (or loss) from partnerships and fiduciaries	2	
3	Enter net gain (or loss), combine lines 1 and 2	3	326 27
4(a)	Short-term capital loss component carryover from years beginning before 1970 (see Instruction H)	4(a)	
4(b)	Short-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	4(b)	
5	Net short-term gain (or loss), combine lines 3, 4(a) and 4(b)	5	326 27

Part II Long-term Capital Gains and Losses—Assets Held More Than 6 Months

6 80 Shares Garcia Corp.	A	11/17/72 2/11/72	1,010.00	1,434.36	(424 36)
Real Estate - Land Woodard Develop. Co.	A	6/1/72 1966	27,000.00	25,558.99	1,441 01

7	Capital gain distributions	7	
8	Enter gain if applicable from line 4(a)(1), Form 4797 (see Instruction A)	8	
9	Enter your share of net long-term gain (or loss) from partnerships and fiduciaries	9	
10	Enter your share of net long-term gain from small business corporations (Subchapter S)	10	
11	Net gain (or loss), combine lines 6 through 10	11	1,016 65
12(a)	Long-term capital loss component carryover from years beginning before 1970 (see Instruction H)	12(a)	
12(b)	Long-term capital loss carryover attributable to years beginning after 1969 (see Instruction H)	12(b)	
13	Net long-term gain (or loss), combine lines 11, 12(a) and 12(b)	13	1,016 65

Part III Summary of Parts I and II

14	Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here	14	1,342 92
15	**If line 14 shows a gain—**		
	(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller (see Part VI for computation of alternative tax). Enter zero if there is a loss or no entry on line 13	15(a)	508 33
	(b) Subtract line 15(a) from line 14. Enter here and on line 36, Form 1040	15(b)	834 59
16	**If line 14 shows a loss—**		
	▶ Omit lines 16(a) and 16(b) and go to Part IV if losses are shown on BOTH lines 12(a) and 13. See Instruction I.		
	▶ Otherwise,		
	(a) Enter one of the following amounts: (i) If amount on line 5 is zero or a net gain, enter 50% of amount on line 14; (ii) If amount on line 13 is zero or a net gain, enter amount on line 14; or, (iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13	16(a)	
	(b) Enter here and enter as a (loss) on line 36, Form 1040, the smaller of: (i) The amount on line 16(a); (ii) $1,000 ($500 if married and filing a separate return—if a loss is shown on line 4(a) or 12(a), see instruction M for a higher limit not to exceed $1,000); or, (iii) Taxable income, as adjusted (see Instruction L)	16(b)	( )

Schedules E&R—Supplemental Income Schedule AND Retirement Income Credit Computation

(Form 1040)

Department of the Treasury
Internal Revenue Service

(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.)
▶ Attach to Form 1040.

1972

Name(s) as shown on Form 1040 Rhonda and Gordon P. Schopfer

Your social security number 126 | 07 | 1385

Schedule E—Supplemental Income Schedule (Schedule R on back)

Part I **Pension and Annuity Income.** If fully taxable, do not complete this part. Enter amount on Form 1040, line 40. For each pension or annuity not fully taxable, attach a separate Part I and enter combined total of taxable portions on line 5.

1 Name of payer

2 Did your employer contribute part of the cost? . . . . . ☐ Yes ☐ No

If "Yes," is your contribution recoverable within 3 years of the annuity starting date? ☐ Yes ☐ No

If "Yes," show: Your contribution $_____, Your contribution recovered in prior years $_____

3 Amount received this year

4 Amount excludable this year

5 Taxable portion (subtract line 4 from line 3)

Part II **Rent and Royalty Income.** Report rents and royalties here. If you need more space, you may use Form 4831.

Note: If you are reporting farm rental income here that is based on crops or livestock produced by a tenant farmer but you did not materially participate in the operation of the farm, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Kind and location of property If residential, also write "R"	(b) Total amount of rents	(c) Total amount of royalties	(d) Depreciation (explain below) or depletion (attach computation)	(e) Other expenses (Repairs, etc.—explain below)
Sub-Leased Office 1111 James St. Syracuse, N.Y.	1,800.00			
1 Totals	1,800.00			

2 Net income (or loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)) . . 1,800 00

Part III **Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations.**

If any of the partnership, estate or trust income reported below is from farming, see Schedule E Instructions, to determine if you should also file Form 4835.

(a) Name and address	(b) Check applicable box: Partnership	Estate or Trust	Small Bus. Corp.	(c) Employer identification number	(d) Income or loss	(e) Additional 1st year depreciation (applicable only to partnerships and estates)
Chase Manhattan Bank R.Schopfer-Trust		X		13-6025815	275.23	
Warron Prop.Co.Syr.	X			16-0970145	(4,779.38)	
[illegible]			[illegible]	[illegible]		
1 Totals					(4,504.15)	

2 Income (or loss) Total of column (d) less total of column (e) . . . . . (4,504 15)

TOTAL OF PARTS I, II, AND III (Enter here and on Form 1040, line 38) (2,704 15)

Explanation of Column (e), Part II

Item	Amount	Item	Amount	Item	Amount

Schedule for Depreciation Claimed in Part II Above.

Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System) or Form 5006 (Guideline Class Life System). Except as otherwise expressly provided in income tax regulations sections 1.167(a)–11(b)(5)(vi) and 1.167(a)–12, the provisions of Revenue Procedures 62–21 and 65–13 are not applicable for taxable years ending after December 31, 1970. If you need more space, use Form 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

(a) Group and guideline class or description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in prior years	(e) Method of computing depreciation	(f) Life or rate	(g) Depreciation for this year
1 Total additional first-year depreciation (do not include in items below)						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
5 Totals						

Summary of Depreciation (Other Than Additional First Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depreciation from Form 4832						
2 Depreciation from Form 5006						
3 Other						

E

Form **4136**

Department of the Treasury
Internal Revenue Service

Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil

Attach this form to your income tax return for calendar year 1972

or other taxable year beginning _____, 1972, ending _____, 19____

1972

Name (as shown on page 1 of your income tax return)
Gordon P. and Rhonda F. Schopfer

Identifying number
126-07-1385

Part I

Type of Use	Gasoline, Diesel Fuel and Special Motor Fuels: Number of Gallons Used (A)	Rate of Tax (B)	Column (A) Multiplied by Column (B) (C)	Lubricating Oil: Number of Gallons Used (D)	Rate of Tax (E)	Column (D) Multiplied by Column (E) (F)
1 Nonhighway:						
a. Farm (for farming purposes)		.02 .04 *	$		.06	$
b. Motorboat	1146	.02	22.92		.06	
c. Other (specify) _____		.02 .04 *			.06	
2 Local transit system. (See instruction E.3.)		.02				
3 Aircraft					.06	
4 Totals			$ 22.92			$

Part II

Type of Use	Aviation Fuels: Fuels Other Than Gasoline (Example, Jet Fuel) Number of Gallons Used (A)	Gasoline Number of Gallons Used (B)	Rate of Tax (C)	Column (A) or (B) Multiplied by Column (C) (D)
5 a. Farm (for farming purposes)			.07	$
			.04 .07 *	
b. Aviation (only applicable to commercial use as defined in instruction F.4.(c))			.04 .07 *	
			.07	
6 Total				$
7 Total income tax credit claimed (sum of line 4, columns (C) and (F) and line 6, column (D))				$ 22.92

*Rate of Tax (per gallon used)

Type of Use	Gasoline (Nonaviation use)	Diesel Fuel and Special Motor Fuel	Aviation Fuel Gasoline
Farm (farming purposes)	4¢	2¢ or 4¢ whatever paid	4¢ or 7¢ whatever paid
Other	2¢	2¢ or 4¢ whatever paid	
Aviation (only applicable to commercial use as defined in instruction F.4.(c))			4¢ or 7¢ whatever paid

Instructions

A. Who May File.—Any individual, estate, trust, or corporation, including a small business corporation and domestic international sales corporation, claiming credit for Federal excise tax on the number of gallons of gasoline, special fuels, and lubricating oil used must file this form. It should be attached to the income tax return.

Partnerships are not required to file this form because the credit for Federal excise tax on gasoline, special fuels, and lubricating oil used is claimed by the partners. However, partnerships must attach a statement to their returns, Form 1065, showing the allocation to the partners of the number of gallons of gasoline, special fuels, and lubricating oil used by type of use as shown above.

Special refund provisions are available if the credit for any of the first three quarters of your taxable year amounts to $1,000 or more. (See Instruction C.)

B. Time for Filing a Claim for Credit.—An income tax credit will be allowed if claimed within the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable years.

C. Quarterly Tax Refund of $1,000 or More.—For any of the first three quarters of your taxable year, a claim, Form 843, may be filed for refund of tax of $1,000 or more for: (a) gasoline used (except, on the farm for farming purposes), (b) lubricating oil used, or (c) special fuels used (except, on the farm for farming purposes) during a calendar quarter. However, no claim will be allowed unless filed on or before the last day of the following quarter. A claim for gasoline, special fuels, and lubricating oil should provide separate computations as in the format shown above. (If you prefer, you may use the above schedule instead of your own statement to show the separate computations.)

D. What Lubricating Oil to Include.—An income tax credit may be claimed for lubricating oil (other than cutting oils and used oil) that is used otherwise than in a highway motor vehicle. Cutting oils are those oils sold for use on metals in cutting and machining operations (including forging, drawing, rolling, shearing, punching, and stamping). Examples of uses of lubricating oil otherwise than in a highway motor vehicle are oiling plant machinery and lubricating vehicles other than highway motor vehicles, such as aircraft, bulldozers, power shovels, farm tractors, etc.

(Continued on back)

JOINT EXHIBIT 7G, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

126a

(3)

Form 1065 — Department of the Treasury, Internal Revenue Service

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1970 or other taxable year beginning ..... 1970, and ending ....., 19.....

1970

A Principal business activity (See instructions): Rental

B Principal product or service (See instructions): Real Estate

C Enter total assets from line 13, column (D), Schedule L: $ None 824-

Name: Warren Properties Co.

Number and street: 499 So. Warren St

City or town, State, and ZIP code: Syracuse, New York 13202

D Employer Identification No.: 16-0970145

E Business Code No.: 6511

F County in which located: Onondaga

G Date business commenced: 1-1-70

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction Q.

INCOME	1 Gross receipts or gross sales ..... Less: Returns and allowances	
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	
	3 Gross profit	
	4 Income (loss) from other partnerships, syndicates, etc. (attach statement)	
	5 Nonqualifying dividends (attach list—see Instruction 5)	
	6 Interest	
	7 Rents (Schedule B)	(34,891)
	8 Royalties (attach schedule)	
	9 Net farm profit (loss) (Schedule F, Form 1040)	
	10 Net ordinary gain (loss) (line 10, Schedule D, Form 1065)	
	11 Other income (attach schedule)	
	12 TOTAL income (lines 3 through 11)	(34891)
DEDUCTIONS	13 Salaries and wages (other than to partners)	
	14 Payments to partners—salaries and interest	
	15 Rent	
	16 Interest (Schedule J)	
	17 Taxes (Schedule J)	
	18 Bad debts (Schedule H if reserve method is used)	
	19 Repairs	
	20 Depreciation (Schedule I)	
	21 Amortization (attach schedule)	
	22 Depletion (attach schedule)	
	23 Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23)	
	24 Other deductions (Schedule J)	
	25 TOTAL deductions (lines 13 through 24)	
	26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	(34891)

COPY

Schedule A—COST OF GOODS SOLD

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
2 Purchases	
Less: Cost of items withdrawn for personal use	
3 Cost of labor	
4 Material and supplies	
5 Other costs (attach schedule)	
6 Total of lines 1 through 5	
7 Less: Inventory at end of year	
8 Cost of goods sold. Enter here and on line 2, above	
(Method of inventory valuation .....)	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

> Signature of partner or member — Christy and Christy — Partner — Date: 3/4/71

> Signature of preparer other than partner or member — Address — Date: 3/3/71

Syracuse, N.Y.

JOINT EXHIBIT # 17-6

NOTE: Any items specially allocated to the partners should be shown in a separate schedule instead of being reflected in the numbered lines of page 1, Schedules B through J, or Schedule K. (See General Instruction P)

Schedule B—INCOME FROM RENTS

1. Kind and location of property	2. Amount of rent	3. Depreciation (explain in Schedule I)	4. Repairs (explain in Schedule J)	5. Other expenses (explain in Schedule J)
Office Bldg - 490 So Wabash St	276,706-	67,575-		74,071
1 Totals	276,706-	67,575-		74,071
2 Net income (loss) (column 2 less sum of columns 3, 4, and 5). Enter here and on page 1, line 7				(34,871)

Schedule H—BAD DEBTS (See Instruction 18)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve: 4. Current year's provision	Amount added to reserve: 5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1965						
1966						
1967						
1968						
1969						
1970						

Schedule I—DEPRECIATION (See Instruction 20)

Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4. Note: You may (1) group depreciable assets in accordance with the categories specified below or (2) continue to list your assets in the same manner as in prior years. If you need more space, use Form 4562.

1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and allocate to each partner in line 4 of Schedule K)						
Buildings	1-1-70	1,341,196-		D.B.(1½)	40 yrs	50,715-
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
Leasehold Improv	1-1-70	87,961		S.L.	Varies	16,657-
	1970	6,234		S.L.	10 0/0	623.-
2 Totals		1,435,391				67,575-
3 Less amount of depreciation claimed in Schedules A and B						67,575-
4 Balance—Enter here and on page 1, line 20						-

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other							

Schedule J—EXPLANATION OF LINES 16, 17, AND 24 ON PAGE 1, AND OF COLUMNS 4 AND 5 OF SCHEDULE B

Line or column	Explanation	Amount	Line or column	Explanation	Amount
B-5	Salaries & Wages	39,698.-	B-5	Financing Comm	1,217.-
	Insurance	3,282.-		Office Expense & Supplies	721.-
	Utilities	20,918.-		Payroll Taxes	2,777.-
	Supplies & Maintenance	15,357.-		Miscellaneous	367.-
	Water	1,571.-		Total	24,077.-
	Real Estate Taxes	51,999.-			
	Interest	92,638.-			
	Leasing Commissions	3,582.-			
	Tenant Parking	1,510.-			
	Accounting Fees	3,000.-			
	Telephone	386.-			

WARREN Properties Co.

Form 1065

1970

Schedule L: BALANCE Sheet

Item 12- Prepaid Expenses	
Unamortized Financing fees	1983
Unamortized Leasing Commission	21283
Total	32420
	55614-
Item - 18	
Withholding Taxes Payable	161
Accrued Expenses	16773
Total	18345

Form 1065—1970 **Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.** Page 3

1 Give name, address, and social security number of each partner. (Designate nonresident aliens, if any.) If return of partner is filed in another Internal Revenue service center, specify service center.

		2 Percentage of time devoted to business
Partner A	M. V. Byrne Jr. Syracuse, N.Y. 132-14-9128	As Required
Partner B	J. J. Costello Syracuse N.Y. 110-22-2327	4
Partner C	G. P. Schaffer Syracuse N.Y. 126-07-1385	4
Partner D	R. L. Schaffer Williamsport, PA. 068-16-8602	4

Partner's share of:	Partner A	Partner B	Partner C	Partner D	Total
3 Ordinary income (loss) (line 26, page 1)	(8,723)	(8723)	(8723)	(8,722)	(34,891)
4 Additional first-year depreciation (line 1, Schedule I)					
5 Payments to partners—salaries and interest (line 14, page 1)					
6 Qualifying dividends (attach list)					
7 Net short-term gain (loss) from sale or exchange of capital assets (line 3, Sch. D)					
8 Net long-term gain (loss) from sale or exchange of capital assets (line 7, Schedule D)					
9 Net gain (loss) from sale or exchange of property under section 1231 (line 19, Schedule D)					
10 Net gain (loss) from involuntary conversions under section 1231 (line 22, Schedule D)					
11 Net earnings from self-employment (line 10, Schedule N)					
12 Contributions (attach list)					
13 Expense account allowance					
14 Cost or basis of investment in property:					
a Life years: 4 or more but less than 6 — Property: New—enter basis					
a Life years: 4 or more but less than 6 — Property: Used—enter cost					
b Life years: 6 or more but less than 8 — Property: New—enter basis					
b Life years: 6 or more but less than 8 — Property: Used—enter cost					
c Life years: 8 or more — Property: New—enter basis					
c Life years: 8 or more — Property: Used—enter cost					
15 Tax preferences:					
a Excess investment interest: (1) Investment interest expense					
(2) Investment income					
(3) Investment expense					
b Accelerated depreciation on real property: (1) Low-income rental housing (sec. 167(k))					
(2) Other real property					
c Accelerated depreciation on personal property subject to a net lease					
d Amortization of certified pollution control facilities					
e Amortization of railroad rolling stock					
f Reserves for losses on bad debts of financial institutions					
g Depletion					
h Capital gains (include specially allocated amounts): (1) Long-term gain (loss)					
(2) Short-term gain (loss)					

Note: Schedule K instructions correspond with the line numbers. However, see paragraphs (a) through (d), for each partner's distributive share of other items required to be reported in a separate schedule.

Schedule L—BALANCE SHEETS (See General Instruction J)

ASSETS	Beginning of taxable year (A) Amount	Beginning of taxable year (B) Total	End of taxable year (C) Amount	End of taxable year (D) Total
1 Cash				370.-
2 Trade notes and accounts receivable			1,034-	
(a) Less allowance for bad debts				1,034-
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets			1,435,381-	
(a) Less accumulated depreciation			67,575	1,367806
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				115,000-
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				55,614-
13 Total assets				1,549,824-
LIABILITIES AND CAPITAL				
14 Accounts payable				84,144.-
15 Mortgages, notes, and bonds payable in less than 1 year				28,113.-
16 Other current liabilities (attach schedule)				18,345.-
17 Mortgages, notes, and bonds payable in 1 year or more				1,538,359.-
18 Other liabilities (attach schedule)				
19 Partners' capital accounts				(19137.-)
20 Total liabilities and capital				1,649,824-

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS (See Instruction for Schedule M)

Partner	1. Capital account at beginning of year	2. Capital contributed during year	3. Ordinary income (loss) from line 25, page 1	4. Income not included in column 3 plus non-taxable income	5. Losses not included in column 3, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
A		3939	(8723)				(4784)
B		3939	(8723)				(4784)
C		3938	(8723)				(4785)
D		3938	(8722)				(4785)
Totals		15754	(34891.)	—0—	—0—	—0—	(19137.-)

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See Instruction for Schedule N)

1	Ordinary income (line 26, page 1)	2055
2	Add: Payments to partners—salaries and interest (line 14, page 1)	
3	Net ordinary loss (line 10, page 1)	
4	Total	—
5	Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6	Nonqualifying dividends (line 5, page 1)	
7	Interest (see instruction for Schedule N)	
8	Net rentals from real estate (see instruction for Schedule N)	
9	Net ordinary gain (line 10, page 1)	
10	Net earnings from self-employment. Enter in line 11, Schedule K	—

H Did the partnership, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? ☐ Yes ☒ No. If "Yes," attach Form 4683. (For definitions, see Form 4683.)

I Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? ☐ YES ☐ NO. If "Yes," attach explanation.

J Were you liable for filing Forms 1096 and 1099 or 1087 for 1970? ☐ Yes ☒ No. If "Yes," where filed? .....

K Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO

L Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO

M Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act of 1951? ☐ YES ☒ NO
If "Yes," see General Instruction O and enter appropriate amount here $.....

N Did you claim a deduction for expenses connected with: (1) Employee or family vacations not reported on Form W-2? ☐ YES ☒ NO
(2) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☒ NO (3) Employees' families at conventions or meetings? ☐ YES ☒ NO
(4) Living accommodations (except employees on business)? ☐ YES ☒ NO

☆☆☆☆ U.S. GOVERNMENT PRINTING OFFICE: 1970—O-398-220

JOINT EXHIBIT 8H, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

132a

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1971 or other taxable year beginning ....., 1971, and ending ....., 19.....

1971

A Principal business activity (See page 6 of instructions): RENTAL

B Principal product or service (See page 6 of instructions): REAL ESTATE

C Enter total assets from line 13, column (D), Schedule L: $ 1609363.14

Name: WARREN PROPERTIES CO

Number and street: 499 So. WARREN St

City or town, State, and ZIP code: SYRACUSE NEW YORK 13202

D Employer Identification No.: 16-0970145

E Business Code No. (See page 6 of instructions): 6511

F County in which located: ONONDAGA

G Date business commenced: 1-1-70

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction Q.

INCOME	1a Gross receipts or sales $ ..... 1b Less returns and allowances $ ..... Balance ►	1c		
	2 Less: Cost of goods sold (line 34, Schedule A) and/or operations (attach schedule)	2		
	3 Gross profit	3		
	4 Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)	4		
	5 Nonqualifying dividends (attach list—see Instruction 5)	5		
	6 Interest	6	179	87
	7 Rents (Schedule H) Loss.	7	(27,437	98)
	8 Royalties (attach schedule)	8		
	9 Net farm profit (loss) (attach Schedule F (Form 1040))	9		
	10 Net ordinary gain (loss) (line 9, Form 4797)	10		
	11 Other income (attach schedule)	11		
	12 TOTAL income (lines 3 through 11) Loss	12	(27,308	11)
DEDUCTIONS	13 Salaries and wages (other than to partners)	13		
	14 Payments to partners—Salaries and interest	14		
	15 Rent	15		
	16 Interest (attach schedule)	16		
	17 Taxes (attach schedule)	17		
	18 Bad debts (Schedule I if reserve method is used)	18		
	19 Repairs	19		
	20 Depreciation (Schedule J)	20		
	21 Amortization (attach schedule)	21		
	22 Depletion (attach schedule)	22		
	23a Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23a)	23a		
	23b Employee benefit programs (see Instruction 23b)	23b		
	24 Other deductions (attach schedule)	24		
	25 TOTAL deductions (lines 13 through 24)	25		
	26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G) Loss.	26	(27,308	11)

COPY

Schedule A—COST OF GOODS SOLD (See Instruction 2)

27 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27		
28a Purchases $ ..... 28b Less cost of items withdrawn for personal use $ ..... Balance ►	28c		
29 Cost of labor	29		
30 Material and supplies	30		
31 Other costs (attach schedule)	31		
32 Total of lines 27 through 31	32		
33 Less: Inventory at end of year	33		
34 Cost of goods sold. Enter here and on line 2, above	34		

Method of inventory valuation ►

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

► ..... Signature of partner or member ..... Date

► Christy and Christy Signature of preparer other than partner or member

CHRISTY AND CHRISTY
Address
731 JAMES STREET
SYRACUSE, N. Y. 13203

3/3/72 Date

Note: Any items specially allocated to the partners should be entered in line 18 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules H through J. (See General Instruction O)

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
OFFICE BLDG, 499 So. WARREN ST	~~85,903.47~~ 85,903.47	67,139.97		246,701.43
1 Totals	85,903.47	67,139.97		246,701.43

2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7 . . . Loss . (27,437.93)

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve: d. Current year's provision	Amount added to reserve: e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1966 .						
1967 .						
1968 .						
1969 .						
1970 .						
1971 .						

Schedule J—DEPRECIATION (See Instruction 20)

Note: For new depreciation rules, see Form 4832 (Revised). Form 4832 (Revised) also explains the effect the new rules have on guideline lives under Rev. Procs. 62-21 and 65-13. Taxpayers using these lives: Make no entry in column b, enter amounts in column c for assets held at end of year, and enter accumulated depreciation at end of year in column d. You may (1) group depreciable assets in accordance with the categories shown below, or (2) continue to list your assets in the same manner as in prior years. IF YOU NEED MORE SPACE, USE FORM 4562.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and allocate to each partner in line 4 of Schedule K) →						
2 Depreciation from Form 4832						
3 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment				SEE Schedule		67,139.97
Machinery and other equipment						
Other (specify)						
4 Totals						67,139.97
5 Less amount of depreciation claimed in Schedules A and H						67,139.97
6 Balance—Enter here and on page 1, line 20						None

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Other (specify)	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Under Rev. Procs. 62-21 and 65-13.						
2 Depr. from Form 4832						
3 Other						

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1 Give name, address, and social security number of each partner. (Designate nonresident aliens, if any.) If return of partner is filed in another Internal Revenue service center, specify service center.	2 Percentage of: Profit sharing	Time devoted to business
Partner A M. V. BYRNE JR 13x-14-9128 SYRACUSE N.Y.		AS REQUIRED
Partner B J. J. COSTELLO 110-22-2327 SYRACUSE N.Y.		"
Partner C G. P. SCHOFFER 146-07-1385 SYRACUSE N.Y		"
Partner D R. SCHOFFER Williamsport, PA.		"

WARREN PROPERTIES CO.
FORM 1065 1971

SCHEDULE H INCOME FROM RENTS
E. OTHER EXPENSES

SALARIES & WAGES	395806
INSURANCE	32750
GAS & ELECTRICITY	203046
MAINTENANCE & SUPPLIES	159847
WATER	22925
REAL ESTATE TAXES	634322
MORTGAGE INTEREST	169393
OTHER INTEREST	10541
LEASING COMMISSIONS	37195
TENANT PARKING	17600
ACCOUNTING FEES	19450
TELEPHONE	3781
FINANCING COMMISSIONS	11166
OFFICE EXPENSE	10914
PAYROLL TAXES	28891
MISCELLANEOUS EXPENSE	5136
	246043

PAGE 4, SCHEDULE L - BALANCE SHEETS

	BEGIN	END
ITEM 14 - PREPAID EXPENSES	19032	16971
UNAMORTIZED FINANCING FEES	212838	200667
UNAMORTIZED LEASING COMMISSIONS	324783	292038
	556144	509611

ITEM 18 -

WITHHOLDING TAXES PAYABLE	16144	8688
ACCRUED EXPENSES	167378	239856
	183502	248144

WARREN PROPERTIES CO.
FORM 1065 1971

	DATE Acquired	COST	DEPR. ALLOW IN PRIOR YEARS	METHOD	LIFE	1971 DEPR
BUILDING	1-1-70	1341 18636	5029448	D.B	40 yrs	4840920
IMPROVEMENTS	1-1-70	879606	166504	S.L.	10 yrs	166504
	1970	6x3395	6x340			1x4680
	1971	30586	—			30569
		243909	—			—
		43161	—			—
		1001x15	17x844			18x095
MAINTENANCE EQUIPMENT	1-71	84800	—	D.D.B	5	33953
	10-1-71	21335	—		4	x67c
	7-x0-71	6x017	—		4	15500
		16815x	—			5x1x4

Form 1065—1971 **Schedule K—Continued**

Partner's share of:	Partner A	Partner B	Partner C	Partner D	Total
3 Ordinary income (loss) (line 26, page 1)	(6,827.03)	(6827.03)	(6827.03)	(6827.03)	(27,308.11)
4 Additional first-year depr. (line 1, Sch. J)					
5 Payments to partners—salaries and interest (line 14, page 1)					
6 Qualifying dividends (attach list)					
7 Net short-term gain (loss) from sale or exchange of capital assets (line 3, Sch. D)					
8 Net long-term gain (loss) from sale or exchange of capital assets (line 7, Schedule D)*					
9 Net gain (loss) from sale or exchange of property under section 1231 (line 4, Form 4797)					
10 Net gain (loss) from involuntary conversions under section 1231 (line 2, Form 4797)					
11 Net earnings from self-employment (line 9, Schedule N)					
12 Contributions (attach list)					
13 Expense account allowance					
14 Foreign taxes (attach schedule)					
15 Taxes paid by regulated investment companies on undistributed capital gains (attach schedule)					
16 Payments by partnership to retirement plan on behalf of partners (attach schedule)					
17 Other (specify)					
18 Specially allocated items (attach schedule):					
a Long-term capital gain (loss)*					
b Short-term capital gain (loss)					
c Ordinary gain (loss)					
d Other					
19 Tax preferences:					
a Excess investment interest:					
(1) Investment interest expense					
(2) Investment income					
(3) Investment expense					
b Accelerated depreciation on real property:					
(1) Low-income rental housing (sec. 167(k))					
(2) Other real property					
c Accelerated depreciation on personal property subject to a net lease					
d Amortization of certified pollution control facilities					
e Amortization of railroad rolling stock					
f Reserves for losses on bad debts of financial institutions					
g Depletion					
h Capital gains (losses):					
(1) Long-term (total of lines 8 and 18a)					
(2) Short-term (total of lines 7 and 18b)					

* Each partner must be notified as to the amount of his distributive share of long-term capital gains that may qualify as "subsection (d) gains," see section 1201(d).

Form 1065—1971 **Schedule L—BALANCE SHEETS (See General Instruction J)**

ASSETS	Beginning of taxable year (A) Amount	Beginning of taxable year (B) Total	End of taxable year (C) Amount	End of taxable year (D) Total
1 Cash		369.59		YY,08Y.98
2 Trade notes and accounts receivable	1,033.90		3,038.91	
(a) Less allowance for bad debts		1,033.90		3,038.91
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets	1,435,380.95		1,44Y,990.03	
(a) Less accumulated depreciation	67,574.9Y	1,367,806.03	134,714.89	1,308,275.14
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)		YY5,000.00		YY5,000.00
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)		55614.4Y		50 966.11
13 Total assets		1,649,8Y3.94		1,609,363.14
LIABILITIES AND CAPITAL				
14 Accounts payable		84143.46		51,4Y9.60
15 Mortgages, notes, and bonds payable in less than 1 year		28,113.17		41,927.7Y
16 Other current liabilities (attach schedule)		18,345.0Y		24,81Y.44
17 Mortgages, notes, and bonds payable in 1 year or more		1538,359.11		1,537,6Y8.31
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		(19 136.8Y)		(41,444.93)
20 Total liabilities and capital		1,649,8Y3.94		1,609,363.14

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS (See Instruction for Schedule M)

Partner	a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from line 26, page 1	d. Income not included in column c plus non-taxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year
A.	(4784.Y1)		(6,8Y7.03)				(11,611.Y4)
B.	(4784.Y0)		(6,8Y7.03)				(11,611.Y3)
C.	(4784.Y1)		(6,8Y7.03)				(11,611.Y4)
D.	(4784.Y0)		(6,8Y7.0Y)				(11,611.YY)
Totals	(19 136.8Y)		(27308.11)				(41,444.93)

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See Instruction for Schedule N)

1	Ordinary income (line 26, page 1)	Loss
2	Add: Payments to partners—salaries and interest (line 14, page 1)	
3	Net ordinary loss (line 10, page 1)	
4	Total	—
5	Less: Nonqualifying dividends (line 5, page 1)	
6	Interest (see instruction for Schedule N)	
7	Net rentals from real estate (see instruction for Schedule N)	
8	Net ordinary gain (line 10, page 1)	
9	Net earnings from self-employment. Enter in line 11, Schedule K	—

	Yes	No
H Did the partnership, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? If "Yes," attach Form 4683. (For definitions, see Form 4683.)		✓
I Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? If "Yes," attach explanation.		✓
J Were you liable for filing Forms 1096 and 1099 or 1087 for 1971? If "Yes," where filed? ➤		✓
K Is any member of the partnership related by blood or marriage to any other member?	✓	
L Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member?		✓
M Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act of 1951? If "Yes," see General Instruction P and enter appropriate amount here ➤ $		✓
N Did you claim a deduction for expenses connected with: (1) Employee or family vacations not reported on Form W-2?		✓
(2) Entertainment facility (boat, resort, ranch, etc.)?		✓
(3) Employees' families at conventions or meetings?		✓
(4) Living accommodations (except employees on business)?		✓

JOINT EXHIBIT 9I, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

139a

Form 1065
Department of the Treasury
Internal Revenue Service

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1972 or other taxable year beginning ..... 1972, and ending ..... 19.....

1972

A Principal business activity (See page 6 of instructions): RENTAL

B Principal product or service (See page 6 of instructions): REAL ESTATE

C Enter total assets from line 13, column (D), Schedule L: $ 1,542,502.05

Name: WARREN PROPERTIES CO.

Number and street: 499 So WARREN ST.

City or town, State, and ZIP code: SYRACUSE N.Y. 13202

D Employer identification No.: 16-0970145

E Business Code No. (See page 6 of instructions): 6511

F County in which located: ONONDAGA

G Date business commenced: 1-1-70

H Is this business located within the boundaries of the city, town, etc., indicated? ☒ Yes ☐ No

I Was this partnership in business at the end of 1972? ☒ Yes ☐ No

J How many months in 1972 was this partnership in business? ▶ 12

IMPORTANT— All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction Q.

INCOME	1a Gross receipts or sales $ ..... 1b Less returns and allowances $ ..... Balance ▶		1c		
	2 Less: Cost of goods sold (line 34, Schedule A) and/or operations (attach schedule)		2		
	3 Gross profit		3		
	4 Ordinary income (loss) from other partnerships, syndicates, etc. (attach statement)		4		
	5 Nonqualifying dividends (attach list—see Instruction 5)		5		
	6 Interest		6	336	50
	7 Rents (Schedule H)	Loss	7	(19454	04)
	8 Royalties (attach schedule)		8		
	9 Net farm profit (loss) (attach Schedule F (Form 1040))		9		
	10 Net ordinary gain (loss) (line 9, Form 4797)		10		
	11 Other income (attach schedule)		11		
	12 TOTAL income (lines 3 through 11)	Loss.	12	(19117	54)
DEDUCTIONS	13 Salaries and wages (other than to partners)		13		
	14 Payments to partners—Salaries and interest		14		
	15 Rent		15		
	16 Interest (attach schedule)		16		
	17 Taxes (attach schedule)		17		
	18 Bad debts (Schedule I if reserve method is used)		18		
	19 Repairs		19		
	20 Depreciation (Schedule J)		20		
	21 Amortization (attach schedule)		21		
	22 Depletion (attach schedule)		22		
	23a Retirement plans, etc. (other than contributions made on partners' behalf—see Instruction 23a)		23a		
	23b Employee benefit programs (see Instruction 23b)		23b		
	24 Other deductions (attach schedule)		24		
	25 TOTAL deductions (lines 13 through 24)		25		
	26 Ordinary income (loss) (line 12 less line 25) (see General Instruction G)	Loss.	26	(19117	54)

Schedule A—COST OF GOODS SOLD (See Instruction 2)

27 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	27		
28a Purchases $ ..... 28b Less cost of items withdrawn for personal use $ ..... Balance ▶	28c		
29 Cost of labor	29		
30 Material and supplies	30		
31 Other costs (attach schedule)	31		
32 Total of lines 27 through 31	32		
33 Less: Inventory at end of year	33		
34 Cost of goods sold. Enter here and on line 2, above	34		

Method of inventory valuation ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

▷ [signature] Partner — Signature of partner or member — Date 2/5/73

▷ Elizabeth Wade Martin — Signature of preparer other than partner or member — Chaisty, Christy & Bellso — Preparer's address: 731 James St Syracuse, N.Y. — Emp. Ident. or Soc. Sec. No. 15-0519790 — Date 1/31/73

JOINT EXHIBIT # 9 T

Note: Any items specially allocated to the partners should be entered in line 16 of Schedule K instead of being reflected in the numbered lines of page 1 or Schedules D through J. (See General Instruction O)

Schedule D—CAPITAL GAINS AND LOSSES (See Instructions for Schedule D)

Part I Short-term capital gains and losses—assets held 6 months or less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis and expense of sale	f. Gain or (loss) (d less e)
1					

2 Enter your share of net short-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries .

3 Net short-term gain or (loss) from lines 1 and 2. Enter here and on line 4, Schedule K of Form 1065 . .

Part II Long-term capital gains and losses—assets held more than 6 months

4					

5 Enter your share of net long-term gain or (loss), including specially allocated items, from other partnerships and from fiduciaries .

6 Capital gain distributions . . . . . .

7 Net long-term gain or (loss) from lines 4, 5, and 6. Enter here and on line 5, Schedule K of Form 1065 . .

Schedule H—INCOME FROM RENTS

a. Kind and location of property	b. Amount of rent	c. Depreciation (explain in Schedule J)	d. Repairs (attach schedule)	e. Other expenses (attach schedule)
OFFICE BLDG 499 So. WARREN ST.	310,268.21	66,701.46		263,020.79
1 Totals	310268.21	66,701.46		263,020.79

2 Net income (loss) (column b less sum of columns c, d, and e). Enter here and on page 1, line 7 . . . LOSS . (19,454.04)

Schedule I—BAD DEBTS (See Instruction 18)

a. Year	b. Trade notes and accounts receivable outstanding at end of year	c. Sales on account	Amount added to reserve: d. Current year's provision	Amount added to reserve: e. Recoveries	f. Amount charged against reserve	g. Reserve for bad debts at end of year
1967 .						
1968 .						
1969 .						
1970 .						
1971 .						
1972 .						

Schedule J—DEPRECIATION (See Instruction 20)

Note: If depreciation is computed by using the Class Life (ADR) System for assets placed in service after December 31, 1970, or the Guideline Class Life System for assets placed in service before January 1, 1971, you must file Form 4832 (Class Life (ADR) System or Form 5006 (Guideline Class Life System)). Except as otherwise expressly provided in income tax regulations sections 1.167(a)–11(b)(5)(vi) and 1.167(a)–12, the provisions of Revenue Procedures 62–21 and 65–13 are not applicable for taxable years ending after December 31, 1970. IF YOU NEED MORE SPACE, USE FORM 4562.

Check box if you made an election this taxable year to use ☐ Class Life (ADR) System and/or ☐ Guideline Class Life System.

a. Group and guideline class or description of property	b. Date acquired	c. Cost or other basis	d. Depreciation allowed or allowable in prior years	e. Method of computing depreciation	f. Life or rate	g. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below). (Enter here and on line 2 of Schedule K) →						
2 Depreciation from Form 4832						
3 Depreciation from Form 5006						
4 Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment . . .						
Machinery and other equipment .			SEE SCHEDULE			66,701.46
Other (specify)						
5 Totals						
6 Less amount of depreciation claimed in Schedules A and H						66,701.46
7 Balance—Enter here and on page 1, line 20						66,701.46

SUMMARY OF DEPRECIATION (Other than Additional First-Year Depreciation)

	Straight line	Declining balance	Sum of the years-digits	Units of production	Other (specify)	Total
1 Depr. from Form 4832 . . .						
2 Depr. from Form 5006 . . .						
3 Other . . .						

None

WARRON PROPERTIES Co.
FORM 1065 1972

SCHEDULE II INCOME FROM RENTS

E. OTHER EXPENSES

SALARY AND WAGE	3996388
INSURANCE	259983
GAS AND ELECTRICITY	2529184
MAINTENANCE AND SUPPLIES	1576942
WATER	229875
REAL ESTATE TAXES	6760205
INTEREST, MORTGAGE	8826576
INTEREST, OTHER	838871
LEASING COMMISSIONS	394000
TENANT PARKING	184000
ACCOUNTING FEES	180000
TELEPHONE	35074
FINANCING COMMISSIONS	121666
OFFICE EXPENSE	34065
PAYROLL TAXES	325031
MISCELLANEOUS EXPENSE	10219
	26302079

PAGE 4, SCHEDULE L - BALANCE SHEET

	BEGIN	END
ITEM IV, PREPAID EXPENSES	169571	203550
UNAMORTIZED FINANCING FEES	2016672	1885006
UNAMORTIZED LEASING COMMISSIONS	2920368	2753868
	5096611	4842424

ITEM 16, WITHHOLDING TAXES PAYABLE	82688	226901
ACCRUED EXPENSES	2398556	2493642
	2481244	2720543

WARREN PROPERTIES CO.
FORM 1065 1972

	DATE ACQUIRED	COST	DEP ALLOW IN PRIOR YEARS	METHOD	LIFE	1972 DEPR.
BUILDING	1-1-70	1341836	987036	D.B	40 yrs	46593 10
MAINTENANCE EQUIPMENT	1-71	54800	33954	D.B	5	20338
	10-1-71	21335	2670	"	4	9333
	7-20-71	62017	15500	"	4	23259
		168152	52124			50930
IMPROVEMENTS	1-1-70	877064	333408	S.L.	10 yrs	166705
	1970	623395	187080		5	124680
	1971	305686	30569		5	61137
	1971	243909	—		5	48782
	1971	43161	—		5	8632
	6-72	48970	—		5	4897
		1050947	354057			195906

PARTNERS SHARE OF INCOME, CREDITS, DEDUCTIONS - 1972
SCHEDULE K-1
1972

	A	B	C	D
NAME of PARTNER	M.V. BYRNE JR	J.J. CASTELLO	G.P. SCHOFFEL	R. SCHOFFER
Soc Sec #	132-14-9128	110-22-2327	126-07-1385	068-16-8602
Address	SYRA, N.Y.	SYRA, N.Y.	SYRA. N.Y.	WILLIAMSPORT, PA.
Profit Sharing %	25%	25%	25%	25%
Time devoted to Business	AS REQUIRED	AS REQUIRED	AS REQUIRED	AS REQUIRED
Item				
1. Income (loss)	(47793.8)	(47793.9)	(47793.8)	(47793.9)

16-0970145
WARREN PROPERTIES CO.
499 SO. WARREN ST
SYRACUSE, NEW YORK 13202

Form 1065 (1972) Page 3

Schedule K—PARTNER'S SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

Enter the total distributive amount for each applicable item listed below. Note: Each partner's distributive share of partnership items will be entered on Schedule K-1. Schedule K-1 Attached

List the number of partners in the partnership 4

Partnership's distributive share items	Total
1 Salary, interest, and ordinary income (loss) (total of lines 14 and 26, page 1) . . . . Loss . .	(19,117.54)
2 Additional first-year depreciation (line 1, Schedule J)	
3 Dividends qualifying for exclusion (attach list)	
4 Net short-term capital gain (loss) (line 3, Schedule D)	
5 Net long-term capital gain (loss) (line 7, Schedule D)*	
6 Net gain (loss) from involuntary conversions due to casualty and theft under section 1231 (line 2, Form 4797)	
7 Net gain (loss) from sale or exchange of property used in trade or business and certain involuntary conversions under section 1231 (line 4, Form 4797)	
8 Net earnings from self-employment (line 9, Schedule N)	
9 Contributions (attach list)	
10 Expense account allowance	
11 Foreign taxes (attach schedule)	
12 Taxes paid by regulated investment companies on undistributed capital gains (attach schedule)	
13 Payments by partnership to retirement plan on behalf of partners	
14 Investment in property:	
Property / Life years	
New property (enter basis) — (a) 3 or more but less than 5	
(b) 5 or more but less than 7	
(c) 7 or more	
Used property (enter cost) — (d) 3 or more but less than 5	
(e) 5 or more but less than 7	
(f) 7 or more	
15 Other (specify) _____	
16 Specially allocated items (attach schedule):	
(a) Short-term capital gain (loss)	
(b) Long-term capital gain (loss)*	
(c) Ordinary gain (loss)	
(d) Other	
17 Tax preference items:	
(a) Accelerated depreciation on real property	
1. Low-income rental housing (section 167(k))	
2. Other real property	
(b) Accelerated depreciation on personal property subject to a net lease	
(c) Amortization of certified pollution control facilities	
(d) Amortization of railroad rolling stock	
(e) Amortization of on-the-job training facilities	
(f) Amortization of child care facilities	
(g) Reserves for losses on bad debts of financial institutions	
(h) Depletion	
(i) Capital gains (losses):	
1. Short-term (total of lines 4 and 16(a))	
2. Long-term (total of lines 5 and 16(b))	

*Each partner must be notified as to the amount of his distributive share of long-term capital gains that may qualify as "subsection (d) gains," see section 1201(d).

Form 1065 (1972) **Schedule L—BALANCE SHEETS (See General Instruction J)**

ASSETS	Beginning of taxable year (A) Amount	Beginning of taxable year (B) Total	End of taxable year (C) Amount	End of taxable year (D) Total
1 Cash		22,082.98		16,625.90
2 Trade notes and accounts receivable	3,038.91		5987.21	
(a) Less allowance for bad debts		3,038.91		5,987.21
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets	1,442,990.03		1447,887.05	
(a) Less accumulated depreciation	133,714.89	1,308,275.14	201,416.35	1,246,470.70
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)		225,000.00		225,000.00
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)		50,966.11		48,414.24
13 Total assets		1609,363.14		1542,508.05
LIABILITIES AND CAPITAL				
14 Accounts payable		51,429.60		40,730.83
15 Mortgages, notes, and bonds payable in less than 1 year		41,937.72		42,494.21
16 Other current liabilities (attach schedule)		24,812.44		27,205.43
17 Mortgages, notes, and bonds payable in 1 year or more		1,537,628.31		1497,709.10
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		(46,444.93)		(65,631.52)
20 Total liabilities and capital		1609,363.14		1542,508.05

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS (See Instruction for Schedule M)

Partner	a. Capital account at beginning of year	b. Capital contributed during year	c. Ordinary income (loss) from line 26, page 1	d. Income not included in column c plus non-taxable income	e. Losses not included in column c, plus unallowable deductions	f. Withdrawals and distributions	g. Capital account at end of year
A.	(11,611.24)		(4,779.32)		17.27		(16,407.59)
B.	(11,611.23)		(4,779.32)		17.26		(16,407.59)
C.	(11,611.24)		(4,779.36)		17.26		(16,407.58)
D.	(11,611.22)		(4,779.39)		17.26		(16,407.87)
Totals	(46,444.93)		(19,117.54)		69.05		(65,631.52)

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See Instruction for Schedule N)

1 Ordinary income (line 26, page 1)	40.55.	(19,117.54)
2 Add: Payments to partners—salaries and interest (line 14, page 1)		
3 Net ordinary loss (line 10, page 1)		
4 Total		
5 Less: Nonqualifying dividends (line 5, page 1)		
6 Interest (see instruction for Schedule N)		
7 Net rentals from real estate (see instruction for Schedule N)		
8 Net ordinary gain (line 10, page 1)		
9 Net earnings from self-employment. Enter on line 8, Schedule K	Loss.	(19,117.54)

	Yes	No
K Did the partnership, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? If "Yes," attach Form 4683. (For definitions, see Form 4683.)		✓
L Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? If "Yes," attach explanation.		✓
M Were you liable for filing Form 1096 for 1972? If "Yes," where filed? ►		✓
N Is any member of the partnership related by blood or marriage to any other member?	✓	
O Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member?		✓
P Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act of 1951? If "Yes," see General Instruction P and enter appropriate amount here ► $		✓
Q Did you claim a deduction for expenses connected with:		
(1) Employee or family vacations not reported on Form W-2?		✓
(2) Entertainment facility (boat, resort, ranch, etc.)?		✓
(3) Employees' families at conventions or meetings?		✓
(4) Living accommodations (except employees on business)?		✓

JOINT EXHIBIT 10J, ATTACHED TO STIPULATION OF FACTS.

PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of the ~~30th~~ 31st day of ~~June~~ DECEMBER, 1969, between RALPH E. SCHOPFER, of 712 Vallamont Drive, Williamsport, Pennsylvania, GORDON P. SCHOPFER, of 1220 Comstock Avenue, Syracuse, New York, MATTHEW V. BYRNE, JR., of 206 Twin Hills Drive, Syracuse, New York, and JOHN J. COSTELLO, of 111 Locust Lane, Syracuse, New York.

W I T N E S S E T H :

WHEREAS, Warron Properties, Ltd., a New York Corporation, is the owner of certain real property commonly known as the 499 Warren Building at the intersection of South Warren and East Onondaga Streets in the City of Syracuse, and

WHEREAS, the parties hereto are the owners and holders of all of the outstanding shares of capital stock of Warron Properties, Ltd., and

WHEREAS, the parties hereto wish to acquire title to the 499 Warren Building in liquidation of their respective interests in Warron Properties, Ltd., and

WHEREAS, in order to accomplish such purpose, the parties desire to create a partnership and to define their respective rights and obligations as members of such partnership,

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. The parties hereby form a partnership to be known as "Warron Properties Company". The principal office of the partnership shall be maintained at 499 Warren Building, Syracuse,

JOINT EXHIBIT 10J

New York 13202, or at such other address as the parties may hereafter designate.

2. The partnership shall acquire the premises known as the 499 Warren Building from Warron Properties, Ltd., together with all items of inventory and equipment now located upon said premises and used in connection with the operation of such building. The acquisition of such property shall be subject to obligations of the corporation in connection with the operation of such building, including, but not limited to, the mortgage lien held by the Syracuse Savings Bank and leases to tenants presently in occupancy in said building.

3. The partnership shall continue until all its assets have been disposed of pursuant to this Agreement and shall not be interrupted by the act, bankruptcy, or death of any partner, the assignment of any interest of any partner hereunder, or any other cause.

4. Each party shall own a one-quarter (1/4) interest in the partnership and all profits and losses of the partnership shall be shared proportionately.

5. The premises shall not be sold or transferred, nor shall any mortgage or lease of the premises be made or modified, nor shall any partnership asset be disposed of except by agreement of all of the parties.

6. No partnership interest shall be sold, transferred, assigned, pledged, encumbered or otherwise hypothecated by any party herein without first offering such partnership interest to the other partners herein. In the event that the other partners or any one of them shall not, for a period of thirty (30) days after receipt of written notice of such proposed transfer, agree to acquire such interest upon the same terms and conditions as contained in the offer received by the selling

JOINT EXHIBIT 10J

partner, then the selling partner may dispose of such partnership interest upon the terms of such offer to a third person. Nothing herein contained shall prohibit the sale or other transfer of a partnership interest by will or intestacy to or for the benefit of a deceased partner's immediate family, nor shall it prohibit the transfer by a partner during his lifetime by gift to or for the benefit of his immediate family, nor shall it prohibit the sale, transfer, assignment, pledge, encumbrance or hypothecation of a partnership interest to any other partner herein.

7. Any party may designate any individual of full age to succeed him upon his death as a member of the partnership. Such designation shall be made by an appropriate instrument in writing. If no such designation has been made by a deceased party, the Executor or Administrator of his estate shall make such designation. Any individual so designated shall accept such designation in writing and shall thereafter be a member of the partnership, with the same rights and obligations as the deceased party.

8. Any dispute regarding this Agreement or any asset of the partnership shall be determined by arbitration in accordance with the rules of the American Arbitration Association then in effect and such decision shall be binding upon all the parties.

9. This Agreement shall inure to the benefit of, and be binding upon, the heirs, legal representatives, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

Ralph E. Schopfer

Gordon P. Schopfer

Matthew V. Byrne, Jr.

John J. Costello

BYRNE, COSTELLO & O'BRIEN
ATTORNEYS AT LAW

JOINT EXHIBIT 11K, ATTACHED TO STIPULATION OF FACTS.

B 74—Certificate of Conducting Business as Partners. Individual — Corporation.

JULIUS BLUMBERG, INC., LAW BLANK PUBLISHERS
80 EXCHANGE PLACE AT BROADWAY, NEW YORK

Business Certificate for Partners

The undersigned do hereby certify that they are conducting or transacting business as members of a partnership under the name or designation of

WARRON PROPERTIES COMPANY

at **499 Warren Building, City of Syracuse,**

in the County of **Onondaga** *, State of New York, and do further certify that the full names of all the persons conducting or transacting such partnership including the full names of all the partners with the residence address of each such person, and the age of any who may be infants, are as follows:*

NAME Specify which are infants and state ages.	*RESIDENCE*
Ralph E. Schopfer	712 Vallamont Dr., Williamsport, Pennsylvania
Gordon P. Schopfer	1220 Comstock Ave., Syracuse, New York
Matthew V. Byrne, Jr.	206 Twin Hills Drive, Syracuse, New York
John J. Costello	111 Locust Lane, Syracuse, New York

~~WE DO FURTHER CERTIFY~~ *that we are the successors in interest to*

~~the person or persons heretofore using such name or names to carry on said business.~~

In Witness Whereof, *We have this* ~~30th~~ 31st *day of* ~~June~~ December 19**69** *made and signed this certificate.*

Ralph E. Schopfer
Gordon P. Schopfer
Matthew V. Byrne, Jr.
John J. Costello

State of New York, County of **Onondaga** } ss.:

INDIVIDUAL ACKNOWLEDGMENT

On this ~~30th~~ 31st *day of* ~~June~~ December 19**69** *, before me personally appeared*

Ralph E. Schopfer, Gordon P. Schopfer, Matthew V. Byrne, Jr., and John J. Costello

to me known and known to me to be the individuals described in, and who executed the foregoing certificate, and ~~he~~ they *thereupon duly acknowledged to me that* ~~he~~ they *executed the same.*

[illegible] Notary Public

JOINT EXHIBIT 11K

State of New York, County of ss.: CORPORATE ACKNOWLEDGMENT

On this day of 19 , before me personally appeared

to me known, who being by me duly sworn, did depose and say, that he resides in

that he is the of

the corporation described in and which executed the foregoing certificate; that he knows the seal of said corporation; that the seal affixed to said certificate is such corporate seal; that it was so affixed by order of the Board of of said corporation, and that he signed h name thereto by like order.

INDEX No.

Certificate of Partners

RALPH E. SCHOPFER, GORDON P. SCHOPFER, MATTHEW V. BYRNE, JR., and JOHN J. COSTELLO

CONDUCTING BUSINESS UNDER THE NAME OF

WARRON PROPERTIES COMPANY

Pursuant to § 440 Penal Law

State of New York, County of ss.: INDIVIDUAL ACKNOWLEDGMENT

On this day of 19 , before me personally appeared

to me known and known to me to be the individual described in, and who executed the foregoing certificate, and he thereupon duly acknowledged to me that he executed the same.

JOINT EXHIBIT 12L, ATTACHED TO STIPULATION OF FACTS.

R28—Warranty Deed, with Assumption Clause, Corporation.

JULIUS BLUMBERG, INC., LAW BLANK PUBLISHERS
80 EXCHANGE PLACE AT BROADWAY, NEW YORK

THIS IS A LEGAL INSTRUMENT AND SHOULD BE EXECUTED UNDER SUPERVISION OF AN ATTORNEY

This Indenture,

Made the First *day of* July *Nineteen Hundred and* Sixty-Nine

Between

WARRON PROPERTIES, LTD.
499 Warren Building
Syracuse, New York,

a corporation organized under the laws of the State of New York,

party of the first part, and

WARRON PROPERTIES COMPANY, a
General Partnership of 499 Warren
Building, Syracuse, New York,

party of the second part,

Witnesseth, *that the party of the first part, in consideration of*

ONE and 00/100 ----------*Dollar*

($1.00---------) lawful money of the United States, and other good and valuable consideration *paid by the party of the second part, does hereby grant and release unto the party of the second part,* its successors *and assigns forever, all* THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Block 117 of the former Walton Tract, bounded and described as follows:

BEGINNING at the intersection of the easterly line of South Warren Street with the northerly line of East Onondaga Street; thence running north 44° 18' 10" east along the northerly line of East Onondaga Street 181.35 feet to a point; running thence north 45° 41' 50" west 34.22 feet to a point; running thence north 89° 18' 40" west 15.00 feet to a point in the easterly line of Lot 8 Block 117; running thence south 0° 03' 30" west 25.7 feet to a point in the southeast corner of said Lot 8; running thence north 89° 48' 10" west along the southerly line of said Lot 8, 87 feet to a point in the easterly line of South Warren Street; running thence south 0° 03' 30" west along the easterly line of South Warren Street 128.41 feet to the point and place of BEGINNING.

EXCEPTING AND RESERVING THEREFROM, ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga, State of New York,

JOINT EXHIBIT 12L

being part of Hudson Park, so called, and being more particularly described as part of Block 117 of the former Walton Tract as follows:

BEGINNING at a point in the southerly prolongation of the easterly line of South Warren Street where same would be intersected by the southwesterly prolongation of the westerly line of East Onondaga Street. Thence north 0° 03' 30" east measured along said prolongated easterly line of South Warren Street a distance of 8.00 feet to a point. Thence south 83° 06' 24" east a distance of 7.03 feet to a point in the said prolongated westerly line of East Onondaga Street. Thence south 44° 18' 10" west measured along said prolongated westerly line of East Onondaga Street a distance of 10.00 feet to the place of BEGINNING.

This conveyance is made and accepted subject to an indebtedness secured by three mortgages consolidated and extended by Consolidation and Extension Agreement between Warron Properties, Ltd., and Syracuse Savings Bank dated November 30, 1964 and recorded in the Onondaga County Clerk's Office December 22, 1964, in Liber 2239 of Mortgages at Page 244&c., on which there is an unpaid principal of One Million Three Hundred Fifty-Four Thousand Three Hundred Thirty-Six and 67/100 Dollars ($1,354,336.67) with interest from _____, 19____, at the rate of _____ percent per annum, which said mortgage debt the party of the second part hereby assumes and agrees to pay, as part of the purchase price of the above-described premises, and the party of the second part hereby executes and acknowledges this Instrument for the purpose of complying with the provisions of Chapter 502 of the Laws of 1938.

JOINT EXHIBIT 12L

This conveyance is made and accepted subject to an indebtedness secured by a mortgage upon said premises held by which mortgage was recorded in County Office, on the day of 19 , in Book of Mortgages at page , on which there is an unpaid principal of Dollars ($), with interest from 19 , at the rate of per cent per annum, which said mortgage debt the part of the second part hereby assume and agree to pay, as part of the purchase price of the above described premises, and the part of the second part hereby execute and acknowledge this Instrument for the purpose of complying with the provisions of Chapter 502 of the Laws of 1938.

Together with the appurtenances and all the estate and rights of the party of the first part in and to said premises,

To have and to hold the premises herein granted unto the party of the second part, its successors and assigns forever.

And the party of the first part covenants as follows:

First. That the party of the second part shall quietly enjoy the said premises;

Second. That the party of the first part will forever Warrant the title to said premises.

Third. That, in Compliance with Sec. 13 of the Lien Law, the grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

In presence of

In Witness Whereof, The party of the first part has caused its corporate seal to be hereunto affixed, and these presents to be signed by its duly authorized officer the day and year first above written, and the party of the second part have hereunto set its hand and seal .

WARRON PROPERTIES, LTD.

By Matthew V. Byrne, Jr., President

WARRON PROPERTIES COMPANY. L.S.

By: L.S.

JOINT EXHIBIT 12L

State of New York
County of Onondaga
CITY of SYRACUSE } ss.:

On this First *day of* July *, Nineteen Hundred and* Sixty-Nine *before me personally came* Matthew V. Byrne, Jr., *to me personally known, who, being by me duly sworn, did depose and say that he resides in* Syracuse, New York; *that he is the* President *of* WARRON PROPERTIES, LTD., *the corporation described in, and which executed, the above Instrument; that he knows the seal of said corporation; that the seal affixed to said Instrument is such corporate seal, that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.*

State of New York
County of Onondaga
City of Syracuse } ss.:

On this First *day of* July *, Nineteen Hundred and* Sixty-Nine *before me, the subscriber, personally appeared* MATTHEW V. BYRNE, JR., a General Partner of WARRON PROPERTIES COMPANY *to me personally known and known to me to be the same person described in and who executed the within Instrument, and he acknowledged to me that he executed the same.*

Deed

Corporation Warranty With Assumption Clause

WARRON PROPERTIES, LTD.

TO

WARRON PROPERTIES COMPANY

Dated, July 1st *19* 69

State of New York
County of ..... ss.
Recorded on the .....
.....*day of* .....*A.D., 19*.....
at .....*o'clock* .....*M.*
in Liber .....*of Deeds*
at Page .....*and examined*
.....
Clerk

JOINT EXHIBIT 13M, ATTACHED TO STIPULATION OF FACTS.

MRS. CAROLINE K. SIMON
SECRETARY OF STATE

ABRAHAM N. DAVIS
EXECUTIVE DEPUTY

C

STATE OF NEW YORK
DEPARTMENT OF STATE
Albany, N. Y.

JOHN J. FROMER
DEPUTY SECRETARY

Byrne & Costello,
412 Syracuse-Kemper Bldg.,
Syracuse 2, N.Y.

Sept. 14, 19 61

2654

Certificate of Incorporation

of WARRON PROPERTIES, LTD.

has been filed today

Fees and/or tax paid as follows: ☒ Ch. ☐ Mo. ☐ Cy. $ 65.00

Filing	$ 50.00
Tax	$ 15.00
Certified copy	$
Certificate	$
Total	$ 65.00
Refund	$

County Onondaga

Department of State

by J. Tracy

Form 259. 3-3-61-75M (B3-84)

C

JOINT EXHIBIT 13-1

CERTIFICATE OF INCORPORATION

of

WARRON PROPERTIES, LTD.

Pursuant to Article Two of the
Stock Corporation Law
Consolidated Laws of the State of New York

We, the undersigned, desiring to form a stock corporation, pursuant to the provisions of Article Two of the Stock Corporation Law of the State of New York, do hereby certify as follows:

1. The name of the Corporation is WARRON PROPERTIES, LTD.

2. The purposes for which it is to be formed are to do any and all of the things hereafter set forth to the same extent as natural persons might or could do, namely: To make, manufacture, produce, purchase, lease, or otherwise acquire, sell, or otherwise dispose of supplies, materials, and equipment for the purpose of and use in the construction, erection, repair, maintenance of any and all types of buildings, structures, or construction projects. To do and perform any and all acts or transactions appropriate, necessary, or required to erect, construct, repair, and maintain any and all types of buildings, structures, or construction projects. To purchase, lease, or otherwise acquire, and to hold, own, sell, or dispose of real and personal property of all kinds, and in particular lands, buildings, merchandise, supplies, materials, equipments, certificates of stock, mortgages, bonds, debts, claims, and any other interest in real or personal property.

To borrow money for its corporate purpose and to make, accept, indorse, execute, and issue promissory notes, bills of exchange, bonds, debentures, or other obligations from time

to time for the purchase of any type of property or for any purpose with respect to the objects of the corporation and to secure the payment of such obligations by mortgage, pledge, or otherwise.

To acquire and take over as a going concern and thereafter to carry on the business of any person, firm, or corporation engaged in any business which this corporation is authorized to carry on, and, in connection thereto, to acquire the goodwill, as well as other assets, and to assume or otherwise provide for any of the liabilities of such business.

To sell, improve, manage, develop, lease, mortgage, or otherwise dispose of or deal in all or any part of the property of the corporation. To enter into, make, perform, and carry out contracts of every name and nature which may be necessary or convenient for the business of the corporation with any person, firm, or private or public corporation.

To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or the furtherance of any of the powers herein above set forth.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the original powers of the corporation and the enjoyment or exercise thereof, as conferred by the Laws of the State of New York upon corporations organized under the provisions of the Stock Corporation Law.

3. The total number of shares that may be issued by the corporation is three hundred (300), all of which shall be Common Stock without par value.

The capital of the corporation shall be at least equal to the sum of the aggregate par value of all the shares issued having par value, plus the aggregate amount of consideration received by the corporation for the issuance of shares

JOINT EXHIBIT 13M

without par value, plus such amounts as from time to time, by resolution of the Board of Directors, may be transferred thereto.

4. Each stockholder of record shall be entitled at all meetings of the corporation and to any other matters requiring a vote to one vote for each share of stock standing in his name upon the books of the corporation.

5. The Secretary of State of the State of New York is hereby designated as the agent of the corporation upon whom process in any action or proceeding against it may be served. The office of the corporation shall be located in the City of Syracuse, County of Onondaga, State of New York, and the address to which the Secretary of State shall mail a copy of process in any proceeding or action against the corporation which may be served upon him is 412 Syracuse-Kemper Building, Syracuse 2, New York.

6. The duration of the corporation is to be perpetual.

7. The number of Directors of the Corporation is not to be less than three nor more than five. Directors need not be stockholders.

The names and addresses until the first annual meeting of the stockholders are as follows:

Name	Address
Matthew V. Byrne, Jr.	412 Syracuse-Kemper Building Syracuse 2, New York
John J. Costello	412 Syracuse-Kemper Building Syracuse 2, New York
John F. Castle	649 South Warren Street Syracuse, New York

8. The names and Post Office addresses of each subscriber to this certificate and the number of shares of stock which each agrees to take are as follows:

JOINT EXHIBIT 13M

Name	Post Office Address	Number of Shares
Matthew V. Byrne, Jr.	412 Syracuse-Kemper Bldg. Syracuse 2, N. Y.	1
John J. Costello	412 Syracuse-Kemper Bldg. Syracuse 2, N. Y.	1
John F. Castle	649 South Warren Street Syracuse, New York	1

9. All of the subscribers of this certificate of incorporation are of full age, at least two-thirds of them are citizens of the United States of America, and at least one of them is a resident of the State of New York, and at least one of the persons named as a director is a citizen of the United States of America and a resident of the State of New York.

IN WITNESS WHEREOF, we have made, signed, and acknowledged this Certificate of Incorporation this 13th day of September, 1961.

Matthew V. Byrne, Jr.

John J. Costello

John F. Castle

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:
CITY OF SYRACUSE)

On this ____ day of September, 1961, before me personally came Matthew V. Byrne, Jr., John J. Costello and John F. Castle, to me, known and known to me to be the individuals described in and who executed the foregoing Certificate, and they severally acknowledged to me that they executed the same.

JOINT EXHIBIT 14N, ATTACHED TO STIPULATION OF FACTS.

STATE OF NEW YORK

DEPARTMENT OF STATE
Albany, N. Y.

MRS. CAROLINE K. SIMON
SECRETARY OF STATE

ABRAHAM N. DAVIS
EXECUTIVE DEPUTY

JOHN J. FROMER
DEPUTY SECRETARY

Byrne & Costello,
412 Syracuse-Kemper Bldg.,
Syracuse 2, N.Y.

February 7, 1962
1944

Certificate of Amendment of Certificate of Incorporation

of WARRON PROPERTIES, LTD.

has been filed today.

Fees and/or tax paid as follows: ☒ Ch. ☐ Mo. ☐ Cy ..... $ 50.00

Filing ..... $ 30.00

Tax ..... $ 20.00

Certified copy ..... $

Certificate ..... $

Total $ 50.00

County Onondaga

Refund $.....

Department of State

by .....

Form 259. 3-3-61-75M (B3-84)

JOINT EXHIBIT ~~8~~ 14-N

JOINT EXHIBIT 14N

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
WARRON PROPERTIES, LTD.

Pursuant to Section 36
of the
Stock Corporation Law

We, the undersigned, being the subscribers of the Certificate of Incorporation of WARRON PROPERTIES, LTD. and the subscribers of the capital stock of said Corporation, state as follows:

FIRST: The name of the Corporation is WARRON PROPERTIES, LTD. and its Certificate of Incorporation was duly filed in the Office of the Secretary of New York on the 14th day of September, 1961.

SECOND: Amendment of the Certificate of Incorporation hereby is made pursuant to Section 35 (2) of the Stock Corporation Law to provide for the issuance of shares of 5% Non-Cumulative Preferred Stock.

THIRD: Paragraph 3 of the Certificate of Incorporation now provides for a capital stock of 300 shares, all of which shall be Common Stock without par value.

FOURTH: Paragraph 3 is amended to provide as follows:

"The total number of shares that may be issued by the Corporation is 700, of which 400 shares of the par value of $100.00 per share shall be designated 5% Non-Cumulative Preferred Stock and 300 shares without par value shall be designated Common Stock.

"The capital of the Corporation shall be at least equal to the sum of the aggregate par value of all issued shares having par value plus the aggregate amount of consideration received by the Corporation for the issuance of shares without

JOINT EXHIBIT 14N

par value, plus such amounts as from time to time by resolution of the Board of Directors, may be transferred thereto.

"The designations, preferences, privileges and voting powers of the shares of each class of stock which the Corporation is authorized to issue, and the restrictions or qualifications thereof shall be as follows:

(A) The holders of record of 5% Non-Cumulative Preferred Stock shall be entitled to cash dividends when and as declared by the Board of Directors at the rate of 5% per share per annum and no more. Upon the payment or setting apart for payment of any dividend at the rate of 5% per share per annum upon the Preferred Stock, the Directors may declare and pay dividends upon the Common Stock.

(B) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of record of Preferred Stock shall be entitled to be paid the full par value of such Preferred Stock and no more. After payment to the holders of Preferred Stock of the amount payable to them as aforesaid, the remaining assets of the Corporation shall be payable to and distributed ratably among the holders of record of the Common Stock.

(C) The entire voting power for the election of Directors and for all other purposes shall be vested exclusively in the holders of Common Stock who shall be entitled at all meetings of the Corporation, and in any other meetings requiring a vote, to one vote for each share of stock standing in their names upon the books of the Corporation. The holders of Preferred Stock shall not be entitled to a vote."

JOINT EXHIBIT 14N

IN WITNESS WHEREOF we have hereunto affixed and subscribed our names to this Certificate this 1st day of February, 1962.

Matthew V. Byrne, Jr.

John J. Costello

John F. Castle

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:
CITY OF SYRACUSE)

On this 1st day of February, 1962 before me, the subscriber, personally appeared MATTHEW V. BYRNE, JR., JOHN J. COSTELLO and JOHN F. CASTLE to me personally known and known to me to be the same persons described in and who executed the within Instrument, and they severally acknowledged to me that they executed the same.

William P. Christy, Jr.

WILLIAM P. CHRISTY, JR.
[illegible] of the State of New York
[illegible] County [illegible] 34-5593175
My Commission Expires March 30, 1962

JOINT EXHIBIT 14N

STATE OF NEW YORK)
COUNTY OF ONONDAGA) SS.:
CITY OF SYRACUSE)

JOHN J. COSTELLO, being duly sworn, deposes and says:

1. That I am one of the subscribers of the Certificate of Incorporation of WARRON PROPERTIES, LTD.

2. Pursuant to Section 37 (1) (A) of the Stock Corporation Law, I state that no stock of WARRON PROPERTIES, LTD. has been issued and that the persons who have executed the Certificate of Amendment of the Certificate of Incorporation of WARRON PROPERTIES, LTD., namely, Matthew V. Byrne, Jr., John J. Costello and John F. Castle, constitute all of the subscribers of the Certificate of Incorporation and all of the subscribers to stock of WARRON PROPERTIES, LTD.

3. Pursuant to Section 37 (5) of the Stock Corporation Law, I state that no officers of WARRON PROPERTIES, LTD. have been elected and I further state that the number of additional shares not resulting from a change of shares which the Corporation is authorized to issue by the Certificate of Amendment of the Certificate of Incorporation is 400 shares of 5% Non-Cumulative Preferred Stock, each share having a par value of $100.00. I further state that the number and par value of shares previously authorized to be issued has not in any way been changed.

John J. Costello

Sworn to before me this
14th day of February, 1962.

William P. Christy, Jr.

WILLIAM P. CHRISTY, JR.
[illegible] 34-569-175
[illegible] March 30, 196[illegible]

JOINT EXHIBIT 150, ATTACHED TO STIPULATION OF FACTS.

June 6, 1969

Mr. Gordon Schopfer
1220 Comstock Avenue
Syracuse, New York 13210

Dear Gordon:

Enclosed please find copy of the events that will take place as we liquidate the Corporation as of June 30th and carry the property in the form of a partnership through 1973.

In 1969, we will share a $14,500.00 tax loss; in 1970, $23,506.00; in 1971, $17,376.00; in 1972, $11,171.00; and in 1973, $809.00. Thereafter, the partnership will show a profit and, depending upon our situation at that time, we can then transfer the property to a corporation.

We think this is the thing to do and we would hope that you both would approve of it as soon as possible.

Very truly yours,

BYRNE, COSTELLO & O'BRIEN

Matthew V. Byrne, Jr.

MVB/mm
Enclosure

cc: Ralph Schopfer
712 Vallamont Drive
Williamsport, Pa.

JOINT EXHIBIT # 150

WARRON PROPERTIES, LTD.
LIQUIDATION
6/30/69

	1969	1970	1971	1972	1973	1974
Income	265,600.00	269,500.00	273,500.00	277,500.00	281,500.00	285,500.00
Expenses	218,800.00	218,500.00	219,000.00	218,300.00	218,100.00	220,500.00
Profit Before Depreciation	46,800.00	51,000.00	54,500.00	59,200.00	63,400.00	65,000.00
Depreciation - Bldg. (S.L.)	26,020.00	26,020.00	26,020.00	26,020.00	26,020.00	26,020.00
" Improvements (S.L.)	16,216.00	16,216.00	16,216.00	16,216.00	13,446.00	10,504.00
	42,200.00	42,200.00	42,200.00	42,200.00	39,400.00	36,500.00
Profit After Depreciation	4,600.00	8,800.00	12,300.00	17,000.00	24,000.00	28,500.00
Carryover Loss	64,567.00	21,282.00	19,310.00	21,171.00	17,737.00	
Tax	-o-	-o-	-o-	-o-	1,400.00	6,800.00
AFTER LIQUIDATION:						
Profit Before Depreciation		51,000.00	54,500.00	59,200.00	63,400.00	65,000.00
Revised Depreciation		74,506.00	71,876.00	70,371.00	64,209.00	58,982.00
Loss(As Partnership)	# (14,500.00)	(23,506.00)	(17,376.00	(11,171.00)	809.00)	6,000.00

Book Value 1,452,142.
Write up 200000
1,652.142
Land Value 227,000.
Bldg 1,425 142.
Improv 99880
Revised 1,325,262.

23⅓ yrs 1¼ D.B.

	Bldg	Imp	Total
69	29,815.	+ 8,100 =	37,915
70	58,290.	+ 16,216 =	74,506
71	55,660	+ 16,216 =	71,876
72	53,155	+ 16,216 =	70,371
73	49,763	+ 14,446 =	64,209
74	48,478	+ 10,504. =	58,982

1969

Income To 6/30/69 (1/2) 23,400-
Depr To 6/30/69 (1/2) 21,100
Prof. To 6/30/69 2,300

Profit To 12/31/69 (1/2) 23,400.00
Depr. Remid 37,915
Loss (14,500)

JOINT EXHIBIT 9

JOINT EXHIBIT 150

166a

JOINT EXHIBIT 16P, ATTACHED TO STIPULATION OF FACTS.

MEMO

TO

FILE Warron Properties, Ltd. [Liquidation] #2785

DATE June 24, 1969

BYRNE, COSTELLO & O'BRIEN
ATTORNEYS AT LAW

MEMORANDUM OF CONFERENCE WITH GORDON SCHOPFER, RALPH SCHOPFER, JOHN COSTELLO AND MATTHEW V. BYRNE, JR.

Under date of June 23rd, John Costello, Gordon Schopfer and Ralph Schopfer met to discuss the liquidation. All items were satisfactory with all parties except for the insurance coverage. Mr. Farrington met with us and fully explained the coverage and thereafter we went to lunch, at which time the four men agreed that we should proceed promptly with the liquidation.

Matthew V. Byrne, Jr.

MVB/jg

JOINT EXHIBIT ~~10~~ 16 P

JOINT EXHIBIT 17Q, ATTACHED TO STIPULATION OF FACTS.

(See following pages.)

169a

FINAL RETURN

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1969 or other taxable year beginning ..... 1969, ending ..... 19 .....
(PLEASE TYPE OR PRINT)

1969

Check if a—
A Consolidated return ☐
B Personal Holding Co. ☐
C Business Code No. (see page 7 of instructions.) 6510

WARREN PROPERTIES LTD.
499 So. WARREN ST.
SYRACUSE, New York 13202

D Employer Identification No. 15-6043401
E County in which located ONONDAGA
F Enter total assets from line 14, column (D), Schedule L (See instruction R) $1,546,201.81

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction N.

GROSS INCOME	1 Gross receipts or gross sales ..... Less: Returns and allowances	
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	
	3 Gross profit	
	4 Dividends (Schedule C)	
	5 Interest on obligations of the United States and U.S. instrumentalities	
	6 Other interest	
	7 Gross rents	264,014.59
	8 Gross royalties	
	9 Net gains (losses)—(separate Schedule D)	
	10 Other income (attach schedule)	
	11 TOTAL income—Add lines 3 through 10	264,014.59
DEDUCTIONS	12 Compensation of officers (Schedule E)	-
	13 Salaries and wages (not deducted elsewhere)	35,082.75
	14 Repairs (do not include capital expenditures)	
	15 Bad debts (Schedule F if reserve method is used)	
	16 Rents	
	17 Taxes (attach schedule)	57,754.47
	18 Interest	90,795.17
	19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)	
	20 Casualty or theft losses (attach schedule)	
	21 Amortization (attach schedule)	
	22 Depreciation (Schedule G)	43,401.01
	23 Depletion	
	24 Advertising	
	25 (a) Pension, profit-sharing, stock bonus, annuity plans (attach Form 2950)	
	(b) Other employee benefit plans (see instructions)	
	26 Other deductions (attach schedule)	45,043.62
	27 TOTAL deductions on lines 12 through 26	271,082.02
	28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)	(7,067.43)
	29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	
	(b) Special deductions (Schedule I)	-
	30 Taxable income (line 28 less line 29) LOSS	(7,067.43)
TAX	31 TOTAL TAX (Schedule J)	NONE
	32 Credits: (a) Tax deposited—Form 7004 application for extension (attach copy)	
	(b) 1969 estimated tax payments (include 1968 overpayment allowed as a credit—do not include any "quick refund" of overpayment of 1969 estimated tax applied for on Form 4466)	
	(c) Credit from regulated investment companies (attach Form 2439)	
	(d) Credit for U.S. tax on nonhighway gas and lube oil (attach Form 4136)	
	33 TAX DUE (line 31 less line 32). See instruction G for tax deposit system	NONE
	34 OVERPAYMENT (line 32 less line 31)	
	35 Enter amount of line 34 you want: Credited to 1970 estimated tax ▷ Refunded ▷	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE SEAL

Date	Signature of officer	Title
11/4/70	Christy and Christy	
Date	Individual or firm signature of preparer	Address
	Christy and Christy	Syracuse-Kemper Bldg Syracuse 2, N.Y.

JOINT EXHIBIT 17Q

COPY

Schedule A—COST OF GOODS SOLD (See instruction 2)

1 Inventory at beginning of year	
2 Merchandise bought for manufacture or sale	
3 Salaries and wages	
4 Other costs (attach schedule)	
5 Total	
6 Less inventory at end of year	
7 Cost of goods sold—Enter on line 2, page 1	

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? Yes ☐ No ☐. If "Yes," attach explanation.

Schedule C—DIVIDENDS (See instruction 4)

1 Domestic corporations subject to 85% deduction	
2 Certain preferred stock of public utilities	
3 Foreign corporations subject to 85% deduction	
4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))	
5 Other dividends from foreign corporations	
6 Includable income from controlled foreign corporations (Subpart F; attach Form 3646)	
7 Foreign dividend gross-up (section 78)	
8 Qualifying dividends from affiliated groups (section 243(b))	
9 Other	
10 Total—Enter here and on line 4, page 1	

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	Percent of corporation stock owned 5. Common	6. Preferred	7. Amount of compensation	8. Expense account allowances

Total compensation of officers—Enter here and on line 12, page 1

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve 4. Current year's provision	5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1964						
1965						
1966						
1967						
1968						
1969						

Schedule G—DEPRECIATION (See instructions for Schedule G)

Taxpayers using Revenue Procedures 62–21 and 65–13: Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

1. Group and guideline class of description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first-year depreciation (do not include in items below) →						
Buildings	1963	1,288,072.43	143,195.14	S.L	50 yrs	26,020.39
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment	1964-65	918.03	803.96	D.B.R	5 yrs	54.07
Other (specify)						
Improvements	1963	26,237.76	15,159.59	S.L.	10 yrs	2,769.54
"	1964-1968	134,468.73	45,666.10	S.L	10 yr	13,446.86
"	1969	4,406.39	—	S.L.	10 yrs	110.15
2 Totals						42,401.01
3 Less amount of depreciation claimed in Schedule A and elsewhere on return						—
4 Balance—Enter here and on line 22, page 1						42,401.01

Schedule H—SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first-year (section 179)	Other (specify)	Total
1 Under Rev. Procs. 62–21 and 65–13							
2 Other							

Warren Properties, Ltd.
Form 1120 1970

Line 17- Taxes

Real Estate Taxes	537883
Payroll Taxes	232070
N.Y. State Franchise Tax	176494
	577447

Line 26- Other Deductions

Insurance	310021
Gas and Electricity	194820
Maintenance and Supplies	1236995
Water	95523
Leasing Commissions	396772
Tenant Marketing	164125
Accounting Fees	15000
Telephone	25386
Financing Fees	121000
Office Expenses	52854
	4504362

Schedule L Balance Sheets

	Beginning of Y.A.	
Line 13- Other Assets		
Prepaid Expenses	597327	598902
Premium on Treasury Stock	650000	650000
	1247327	1179902
Line 17- Other Current Liabilities		
Withholding Taxes Payable	21077	17689
Accrued Expenses	99450	92049
Franchise Tax Payable	37520	59354
Rents Rec'd in Advance	-0-	63530
	1197055	1107622

BEST COPY AVAILABLE

Schedule I—SPECIAL DEDUCTIONS

1 (a) 85% of line 1, Schedule C	
(b) 62.462% of line 2, Schedule C (Fiscal year corporations, see page 6 of instructions.)	
(c) 85% of line 3, Schedule C	
(d) 100% of line 4, Schedule C	
2 Total—May not exceed 85% of (line 28, page 1, less the sum of lines 3 and 5 of this schedule). The 85% limitation does not apply to a year in which a net operating loss occurs	
3 100% of line 8, Schedule C	
4 Dividends paid on certain preferred stock of public utilities (see instructions)	
5 Western Hemisphere trade corporations (see instructions)	
6 Total special deductions—Add lines 2 through 5. Enter here and on line 29(b), page 1	

Schedule J—TAX COMPUTATION (Fiscal year corporations, see page 6 of instructions)

1 Taxable income (line 30, page 1)		NONE
2 Surtax exemption (line 1, $25,000, or amount apportioned under section 1561, whichever is lesser)		
3 Line 1 less line 2		NONE
4 (a) 22% of line 1		
(b) 26% of line 3		
(c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2		
5 (a) Income tax (line 4, or line 24 of separate Schedule D, whichever is lesser)		
(b) Tax Surcharge—10% of line 5(a)		
6 Foreign tax credit (attach Form 1118)		
7 Line 5 less line 6		
8 Investment credit (attach Form 3468)		
9 Line 7 less line 8		
10 (a) Personal holding company tax (attach Schedule 1120 PH)		
(b) Tax Surcharge—10% of line 10(a)		
11 Tax from recomputing a prior year investment credit (attach Form 4255)		
12 Total tax—Add lines 9, 10, and 11. Enter here and on line 31, page 1		NONE

Schedule K—RECORD OF FORM 503 FEDERAL TAX DEPOSITS (List deposits in order of date made—See instruction G)

Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount

G Date incorporated 9-14-61

H (1) Did you at the end of the taxable year own directly or indirectly 50% or more of the voting stock of a domestic corporation? Yes ☐ No ☒

(2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50% or more of your voting stock? Yes ☐ No ☒

(For rules of attribution, see section 267(c).)

If the answer to (1) or (2) is "Yes," attach a schedule showing:
(a) name, address, and identifying number; and
(b) percentage owned.

If the answer to (1) above is "Yes," also show the taxable income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

I Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes ☐ No ☒. If "Yes," enter the aggregate gross dollar amount billed during the year.

J Did you claim a deduction for expenses connected with:

	Yes	No
(1) Entertainment facility (boat, resort, ranch, etc.)?	☐	☒
(2) Living accommodations (except employees on business)?	☐	☒
(3) Employees' families at conventions or meetings?	☐	☒
(4) Employee or family vacations not reported on Form W-2?	☐	☒

K Taxable income (or loss) from line 30, page 1, Form 1120 for:
1966 (19310.28) 1967 (21171.27) 1968 17777.091

L Refer to page 7 of instructions and state the principal:
Business activity Rental of Real Estate
Product or service

M Were you a member of a controlled group subject to the provisions of:
(1) Section 1561? Yes ☐ No ☒
(2) Section 1562? Yes ☐ No ☒

If answer to (1) or (2) is "Yes," check type of relationship:
(a) parent-subsidiary ☐
(b) brother-sister ☐
(c) combination of (a) and (b) ☐ (See section 1563.)

If answer to (2) is "Yes," does section 1562(b)(1)(A) apply (nonapplication of 6% additional tax under section 1562)? Yes ☐ No ☐

N Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1969? Yes ☐ No ☒

If "Yes," where were they filed?

O Were you a U.S. shareholder of any controlled foreign corporation? Yes ☐ No ☒. (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.

P Did you ever declare a stock dividend? Yes ☐ No ☒

Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your earnings and profits? Yes ☐ No ☒. (See sections 301 and 316.)

If "Yes," file Schedule A, Form 1096. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

Form 1120 (1969) — Schedule L—BALANCE SHEETS — Page 4

ASSETS	Beginning of taxable year (A) Amount	Beginning of taxable year (B) Total	End of taxable year (C) Amount	End of taxable year (D) Total
1 Cash		8,667.73		13,560,45
2 Trade notes and accounts receivable	1,930.13			
(a) Less allowance for bad debts	-	1,930.13		825.00
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets	1449,716.95		1,454,123.34	
(a) Less accumulated depreciation	204,824.79	1244892.16	247,225.80	1,206,897.54
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)		207,250.00		207,250.00
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)		123,073.27		117,969.02
14 Total assets		1585,813.29		1,546,501.81
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable		134,051.57		140,030.27
16 Mtges., notes, bonds payable in less than 1 yr.		110,137.78		115,682.58
17 Other current liabilities (attach schedule)		11,970.55		11,676.22
18 Loans from stockholders		99,500.00		101,500.00
19 Mtges., notes, bonds payable in 1 yr. or more		1371,396.79		1,336,758.32
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock	10,000.00		10,000.00	
(b) Common stock	-0-	10,000.00	-	10,000.00
22 Paid-in or capital surplus (attach reconciliation)				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated		(161,342.85)		169,145.58
25 Less cost of treasury stock		(10,000.00)		(10,000.00)
26 Total liabilities and stockholders' equity		1585,813.29		1,546,501.81

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books Loss	(7,802.73)	7 Income recorded on books this year not included in this return (itemize) (a) Tax-exempt interest $	
2 Federal income tax			
3 Excess of capital losses over capital gains			
4 Taxable income not recorded on books this year (itemize) Rents Rec'd in Advance	635.30	8 Deductions in this tax return not charged against book income this year (itemize) (a) Depreciation $ (b) Depletion $	
5 Expenses recorded on books this year not deducted in this return (itemize) (a) Depreciation $ (b) Depletion $ Contribution	(100.00)	9 Total of lines 7 and 8	
6 Total of lines 1 through 5	(7067.43)	10 Income (line 28, page 1)—line 6 less 9	(7,067.43)

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year	(161,342.85)	5 Distributions: (a) Cash	
2 Net income per books	(7,802.73)	(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3	(169,145.58)	8 Balance at end of year (line 4 less 7)	(169,145.58)

JOINT EXHIBIT 18R, ATTACHED TO STIPULATION OF FACTS.

STATE OF NEW YORK DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS
ALBANY

FILING RECEIPT – MISC.

TYPE OF CERTIFICATE
DISSOLUTION R

CORPORATION NAME
WARRON PROPERTIES, LTD.

DATE FILED
9/8/70

FILM NO.
856629-4

LOCATION OF PRIN. OFFICE
34 ONONDAGA

FILER AND ADDRESS
BYRNE, COSTELLO & O'BRIEN
499 WARREN BLDG.
SYRACUSE, NY 13202

1 DOLLAR FEE TO COUNTY
FEES AND/OR TAX PAID AS FOLLOWS:
[X] CHK. [ ] M.O. [ ] CASH $ 10

$ 10 'NG
$ (illegible)
$ ERTIFIED COPY
$ CERTIFICATE

TOTAL $ 10
REFUND OF $ TO FOLLOW

JOHN P. LOMENZO
SECRETARY OF STATE

CO-518M (REV. 3/66)

JOINT EXHIBIT ~~12~~ 18 R

PROCEEDINGS BEFORE TAX COURT ON MARCH 17, 1975.

UNITED STATES TAX COURT

MATTHEW V. & ELVIRA C. BYRNE, et al Petitioner vs COMMISSIONER OF INTERNAL REVENUE Respondent	DOCKET NO. 3315-74 3316-74

LOCATION OF HEARING: Buffalo, New York

DATE: March 17, 1975

BEFORE: Honorable Theodore Tannenwald, Jr.

APPEARANCES: John J. Costello,
Attorney for Petitioner

John D. Steele, Jr.,
Attorney for Respondent

P R O C E E D I N G S

THE CLERK: Docket numbers 3315-74 and 3316-74, Matthew V. Byrne and Elvira C. Byrne, and related petitioner. Will you state your appearances for the record, please?

MR. COSTELLO: John J. Costello, appearing for the petitioners.

MR. STEELE: John D. Steele, Jr. for the respondent, Your Honor.

THE COURT: Gentlemen, I understand that there's a Stipulation of Facts together with Joint Exhibits 1-A through 17-Q, which has been lodged with the Clerk.

MR. COSTELLO: There is, Your Honor.

MR. STEELE: 18 -- 18-R, I believe, Your Honor.

THE COURT: 18-R? All right. It just shows that I didn't read far enough. 18-R is correct. Joint Exhibits 1-A through 18-R. The Stipulation of Facts, together with the Joint Exhibits as indicated, will be received in evidence and made part of the record of the case.

MR. STEELE: Thank you, Your Honor.

THE COURT: Now, Mr. Costello, when we -- well, both of you, let me tell you what I understand to be the issue in this case, and then I'll be glad to hear any elaboration that either party wants to make by way of opening statement. As I understand it, the property in

question was originally owned by a corporation, of which the members of the partnership who are -- two of whom are the taxpayers in this case, were partners. The -- were the stockholders. The corporation decided to liquidate, and the property ended up in the hands of a partnership consisting of the same four shareholders who were the shareholders -- the same four people who were the shareholders of the corporation. The partnership agreement is dated as of December 31, 1969. The deed from the company is dated July 1, 1969. And it's the deed directly from the corporation to the company doing -- which is the partnership, the company being the partnership and LTD being the corporation. And as I understand it, the sole question here is whether the partnership is entitled to 150% declining balance depreciation. Now, one question I have, which I'm sure the answer is clear, and I just don't remember it is whether 150% depreciation is included within the scope of declining balance methods as envisaged by Section 167 and Section -- Section 167J and Section 1250. That, I will assume for the moment that it is. What bothers me, Mr. Costello, is regardless of which date you pick here -- and I can conceive of your making an argument that the property was distributed to a de facto partnership on July 1, 1969, even though the agreement itself wasn't dated -- the partnership agreement itself

79

wasn't dated December 31st, but where is the contract here? You know, a liquidating corporation doesn't make a contract with its shareholders.

MR. COSTELLO: Well, if it please the Court, it's the position of the petitioners here that the contract, first of all, under Section 167, we would have the obligation of showing that there was a contract for the acquisition of the property binding as of July 24, 1969. And as I understand it, that would have to be in some written form although the statute doesn't state that it must be an agreement signed by the parties.

THE COURT: I want to know where there's any contract here, regardless of --

MR. COSTELLO: Well, I --

THE COURT: Take the most favorable picture. Where's the contract? Since when --

MR. COSTELLO: We submitted, if the Court please --

THE COURT: Since when does a stockholder have a contract with a corporation to receive property in liquidation?

MR. COSTELLO: We submit -- we submit, if the Court please, that the contract is composed and is comprised of the minutes of the meeting which occurred on July 24, 1969.

THE COURT: Answer my question. How can a

shareholder have a contract with a corporation within this -- of the kind that's encompassed by this section? A contract to receive property in liquidation? What kind of a business is this? A shareholder doesn't contract with his corporation --

MR. COSTELLO: Well --

THE COURT: -- to liquidate the corporation and to receive the property in liquidation. That's a stockholder's action. I don't see any -- I don't see any contract in the normal sense of the term at all.

MR. COSTELLO: Well, I think that the Court may well be right, that in the normal sense perhaps that kind of language that the statute speaks of isn't necessarily apropos of a liquidation. But, the fact is that we maintain that the agreement that was made at the shareholders' meeting for the liquidation of the corporation to transfer its assets, constituted a binding agreement under the laws of the State of New York on the various stockholders who were present at that time and --

THE COURT: Is it your argument that a binding agreement by a corporation -- by the shareholders, that an agreement by the shareholders of a corporation to liquidate a corporation, in kind, provides the necessary quid pro quo or consideration interesse, that would support the finding of a contract which you couldn't have

with a sole shareholder, for example? Would you say a sole shareholder could make a contract with his corporation to liquidate his corporation, in kind? Would you carry it that far? Well, you don't have to answer me but this is the kind of thing that's bothering me.

MR. COSTELLO: I'm not sure. I think -- I think here the fact is, Your Honor, that here we have -- I think our concern and the concern of the statute would be that there would be some other party that would be capable of enforcing this against any one of the shareholders, and we did have such an arrangement in this case as of the date of this meeting. And --

THE COURT: And the concern of Congress in enacting that provision was to take care of people who committed facts to buy property -- that were relying on the fact that they were going to get, not the 150% but 200%. I understand the issue. I'm just telling you what's bothering me. You can convince me otherwise on brief.

MR. COSTELLO: Well, if it please the Court, we -- as far as the -- it's our position that the agreement that was made as of that date is a written agreement that meets the requirements of the statute.

THE COURT: What agreement, incidentally? Just the minutes of the meeting --

MR. COSTELLO: The minutes, the minutes of that meeting.

THE COURT: You mean that constitutes a contract?

MR. COSTELLO: Certainly, under the Business Corporation Law of the State of New York; it constitutes an agreement of the stockholders and would be admissible prima facie for proof of what was agreed upon at the time of that meeting irrespective of the fact it wasn't signed by the parties. And --

THE COURT: Well, you're -- what you're saying is that every agreement that comes -- among shareholders is a contract, and I question that. But, go ahead. That's the issue. I know the New York Business Corporation Law.

MR. COSTELLO: All right. Well, under --

THE COURT: I didn't practice in New York for nothing.

MR. COSTELLO: Under the Business Corporations Law, this would be admissible in any action or proceeding either between the corporation itself --

THE COURT: But, that doesn't mean it's the kind of contract that I've got to deal with. It's the kind of a contract that would be admissible if one shareholder tried to renege and block the liquidation, and bring an injunction against the liquidation of the corporation and other shareholders could bring in the contract

and say he agreed to it. And he's bound by that. He's bound to liquidate the corporation. But, that doesn't mean it's a contract within the meaning of 167J. That's apples and pears, my friend. And you talk about the plain meaning of the statute or whatever you want, but that's the issue. I'm not trying to prejudge it. I'm just trying to tell you that I think you have a very, very difficult uphill battle; and I'm just being honest with you, that's all. You may be able to convince me otherwise.

MR. COSTELLO: Well, is the Court saying --

THE COURT: In the words of Gertrude Stein, or not in the words of Gertrude Stein, a contract is not a contract, is not a contract for the purposes of this case, not necessarily.

MR. COSTELLO: Well, just so that I'll be informed of the Court's position --

THE COURT: I'm saying that this may be a perfectly valid contract for certain purposes under New York law, but I raise the question as to whether, even if there was a contract under New York law, it is a kind of quote "Contract," quote, that Congress had in mind when it used that word in Section 167J. That's all.

MR. COSTELLO: Then -- then 167J would never be available in a liquidation if --

THE COURT: Perhaps. That's right. Perhaps.

That's the way my mind is working. I may be wrong, and that's what this case is all about. But, I just wanted you to be disabused of any idea that you were home free if you showed me a contract under New York law. That's all. You're not home free.

MR. COSTELLO: Well, in terms of our approach, to which, Your Honor, we relied on the section relating to the regulations, which indicate that if we can establish that the agreement is in writing and constitutes a contract under applicable State or local law, and is enforcible against the taxpayer under such law, we've met the burden of establishing that a contract existed.

THE COURT: Well, that's part of your argument. Maybe you're right. And if that's what the regulations say, I may hold -- I may hold the respondent to it. But, I also may not. And I'm telling you what I see is a problem in this case. It's a legal question. No burden of proof problem, plenty of opportunity for you to brief it. And it wouldn't be the first time that I've decided a case on the legal ground that none of the -- neither of the parties saw before they got into this Courtroom. I'm not bound by the legal theories that the parties espouse to me. If I were, a lot of taxpayers would have lost some cases that they otherwise won, and vice versa.

MR. COSTELLO: Well, if the Court -- I gather that

the Court feels that the issue raised by us with respect to the burden of proof is not valid, and that the burden, therefore, does rest with the petitioner. Under those circumstances we -- it is our feeling that the Stipulation of Facts sets forth in rather complete detail, all that we have to offer, but with one small exception, and that is additional proof relating -- oral proof relating to what occurred subsequent to the meeting at which the liquidation of the corporation was agreed upon, to show the basis upon which there was a deferral of the transfer of title to this property until December 31, 1969. And our proof here would relate only to that issue for the purpose of rounding out --

THE COURT: I'm not suggesting that I'm going -- that the issue is narrowed to the one I put, Mr. Costello. I may not get to that issue. I'm just telling you that this is an issue that is bothering me, and I may get to it. I'm not -- I'm not substituting any issue for what you thought to be the issue.I'm just putting one on top of everything else you fellows thought about. That's all. I don't think it should change your presentation case at all. I just put another, you know, another hurdle into the race. You've got your reservation on the burden of proof, which I may never decide because I may decide on that question -- I -- you know, the record is clear one

way or the other, so -- and I would like to know why it was delayed until -- from July until December. I -- that might be useful evidence. If you want to put it on, you're welcome to do it.

MR. COSTELLO: Well, if the Court please, then I'll call Mr. Byrne.

THE COURT: Sure.

THE CLERK: Would you raise your right hand, please? You do solemnly swear that the testimony you are about to give the Court in this case shall be the truth, the whole truth and nothing but the truth, so help you God?

THE WITNESS: I do.

THE CLERK: Be seated, and state your name and address for the record, please.

THE WITNESS: Matthew Byrne. 144 Stanwood Lane. Manlius, New York.

MATTHEW BYRNE,

called as a witness, having been duly sworn, took the stand and testified as follows:

DIRECT EXAMINATION

BY MR. COSTELLO:

Q Mr. Byrne, you're one of the petitioners in this consolidated -- in these consolidated matters, are you not?

A I am.

Q And what is your business or profession?

A I am an attorney

Q And where is your place of practice?

A 499 Warren Building. Syracuse, New York.

Q And it's true, for the record, is it not, that you and I are practicing partners at that location?

A That's correct.

Q And we did so practice law at that location through the years 1969 through 1972?

A That's correct.

Q During the year 1969, Mr. Byrne, you were also an officer of the corporation known as Warren Properties LTD?

THE COURT: Do I understand you're not a partner of Mr. Byrnes (sic) at this point?

MR. COSTELLO: I am, Your Honor.

THE COURT: Oh, you still are?

MR. COSTELLO: Yes, I am.

THE COURT: Okay. Well, you said through 1972.

MR. COSTELLO: I was merely identifying the years, the taxable years, if the Court please.

THE COURT: All right. Uh-huh.

MR. COSTELLO: During the year 1969, Mr. Byrne, did you serve as an officer of the corporation known as

Warren Properties LTD?

A I did.

Q And what was your capacity as an officer of that corporation?

A I was President.

Q And during 1969, who were the other stockholders of the corporation, Mr. Byrne?

A John Costello, yourself; Gordon Schopfer and Ralph Schopfer.

Q And Mr. Byrne, did there come a time during the year 1969 when you had occasion to with the accountants of the corporation in connection with a proposed liquidation of the assets of the corporation and transfer those assets to a partnership?

A Yes.

Q Mr. Byrne, I hand you at this time notes with respect to that meeting and ask you if you can use them to refresh your recollection with respect to the meeting that occurred in June of 1969. Would you state to the Court the date upon which that meeting occurred?

A June 6th.

Q And who was present at the meeting?

A Mr. Fred Christy, an accountant; Mr. Frank Belso, an accountant; and myself, and yourself.

Q And as a result of that meeting, Mr. Byrne,

did you prepare or have prepared and circulated to the stockholders a memorandum or letter relating to the occurrences at the meeting?

A I did.

Q And does that appear as an exhibit attached to the Stipulation of Facts in this case?

A It does.

Q And did there come a time, Mr. Byrne, that a meeting of the stockholders of the corporation was subsequently called and held in the City of Syracuse?

A There did come a time.

Q And when was that?

A June 24th -- June 23, 1969.

Q And who was present at that meeting?

A Myself, yourself, Mr. Schopfer, Ralph Schopfer and Gordon Schopfer.

Q All right. Mr. Byrne, utilizing the memorandum of the meeting,which you have in front of you, would you tell the Court what occurred at that meeting?

THE COURT: I might add -- are you suggesting that 16-P is the minutes of the meeting? It is not so labelled.

MR. COSTELLO: Joint Exhibit --

THE COURT: It's labelled, "Memorandum of Conference." I'm not trying to be technical, but I just --

MR. COSTELLO: No. It is the minutes of the meeting, if the Court please. Under the Business Corporation Law, it qualifies as the minutes of the meeting held on that date.

THE COURT: It's not on its face, the minutes. That's all.

MR. COSTELLO: I think the stipulation indicates that counsel agrees that it's the minutes of the meeting.

THE COURT: All right. Okay. I just wanted to make sure that I was looking at the right document.

MR. COSTELLO: Mr. Byrne, utilizing your memorandum, would you tell the Court what transpired at the time of that meeting in June of 1969?

A That is the meeting of June 23rd?

Q That is correct.

A We met. We reviewed my previous letters. We discussed the aspects of the liquidation. We agreed amongst ourselves that we would liquidate the corporation. We met with a Mr. Ferrington, who had charge of the insurance on the building. We went to lunch, discussed the matter and agreed on the liquidation.

Q Now, what was the target date for the conclusion of the liquidation and transfer of the asset of the corporation to this partnership?

A The last day of June, 1969.

Q And that was the date, was it not, that was stated in your prior letter to the stockholders in early June of 1969?

A Yes. We were shooting for June 30th.

Q Now, in order to carry out the liquidation and transfer of the assets of the corporation, were there certain items which had to be accomplished from a legal and from a tax standpoint?

A There were.

Q Would you describe to the Court, please, some of the items which you anticipated as an officer of the corporation, would have to accomplished prior to the transfer of title?

A We had to obtain appraisals of the property. We had to file --

THE COURT: May I ask why you had to do that before you transferred it? You were going to transfer it no matter what those appraisals showed, weren't you? Yeah. C'mon. Don't gild the lily too much, Mr. Byrne.

THE WITNESS: I -- my purpose is not to gild the lily, Your Honor. I -- in order to justify the appraisal, we would have to have an -- justify the transfer, we would have had to have an appraisal.

THE COURT: With all the stockholders in agreement, who did you have to justify it to?

THE WITNESS: The Internal Revenue Service, ultimately.

THE COURT: Okay. Yeah. That's two and a half years, three years later. Go ahead.

THE WITNESS: We had to document the liquidation of the corporation, form a partnership, transfer assets, notify tenants.

THE COURT: How many tenants did you have?

THE WITNESS: I think there are 32 or 35, Your Honor.

THE COURT: Okay.

THE WITNESS: Obtain identification numbers from the IRS. The general things involved in the liquidation of a corporation, formation of a partnership, transfer of assets.

MR. COSTELLO: And these items were to be accomplished prior to the 30th of June, 1969, is that correct?

A We thought we could, yes, sir.

Q And did there come a time, Mr. Byrne, when the question of the transfer of the assets to the partnership was determined to be deferred?

A There did.

Q And do you recall when that occurred?

A I recall in the latter part of June, 1969, I

realized that all these events could not take place prior to July 1st.

Q And what did you do at that time?

A I notified the other three people involved.

Q And did you, in fact, contact the other stockholders for the purpose of obtaining their concurrence in a delay of the transfer of title of this property?

A I did.

Q And when did the transfer of title of this property, in fact, occur?

A On December 31, 1969.

MR. COSTELLO: I believe that's all.

THE COURT: Mr. Steele?

MR. STEELE: Thank you, Your Honor.

CROSS EXAMINATION

BY MR. STEELE:

Q Who made the appraisal of the building for you?

A A man named Floyd Stover, and a man named Robert Barrett.

Q You had two separate appraisals? Was that -- or one appraisal with these people working together?

A We had two independent judgements on the valuation of the property.

THE COURT: As a good representative of the IRS, you would have insisted that there be at least two.

MR. STEELE: Absolutely. What was the purpose of the two appraisals? Strictly for IRS purposes?

A No, I wouldn't say it was strictly for IRS purposes. There are other factors, insurance.

Q Would you tell us what the Internal Revenue Service purpose was that you needed these appraisals?

THE COURT: To compute the gain or loss, or fix the basis for depreciation. Is that right, Mr. Byrne?

THE WITNESS: Thank you, Your Honor.

MR. STEELE: Very good.

THE COURT: C'mon.

MR. STEELE: When did you contact the two people making the independent appraisals?

A It would have been in the summer or the fall, of 1969.

Q No, no. After June 30th.

A I can't -- it'd probably be after June 30th.

Q And when did you get the appraisals back?

A The appraisals were oral. There was no need for a formal written documentation of the valuations.

Q Well, do you have a memorandum from your notes as to when you were advised by the appraisers of their value?

A I do not.

Q You said you had to notify some 30 odd tenants.

You could do that with one form letter, could you not?

A Yes, it could be done.

Q Okay. Now, one of the things that bothers me -- and the reason that I asked you the question about the purpose of the appraisals, is that I would like you to explain the transaction from your individual point of view, from the individual taxpayer's point of view. Let me show you the final return, which is stipulated into evidence as Joint Exhibit 17-Q. This is the final return of Warren Properties Limited. And my question is: On that return, does not show the property, the real estate, being transferred.

THE COURT: Is there any reason why it should, Mr. Steele?

MR. STEELE: Why, I would think it might be a taxable transaction, in which case I would think that it --

THE COURT: What kind of a taxable transaction? The rule section known as 336 of the Internal Revenue Code --

MR. STEELE: I'm getting into that.

THE COURT: -- says there's no gain or loss unless you've got depreciation recapture here.

MR. STEELE: I understand that.

THE COURT: Let's -- you know, let's not get into all the periphery in this case. It doesn't make

any sense. But, go ahead.

MR. STEELE: Very well. The point I'm trying to make, Your Honor, is that there's no taxable transaction here reported on either the individual returns or the corporate returns, and it would seem to me that someplace along the line that transaction ought to appear if it's a 337 liquidation. It doesn't appear on the 1970 individual return of two of the -- of either Mr. Byrne or Mr. Schopfer that I can find. And if you'd like to look through your own return -- and I'm just -- the reason I asked for the appraisals is that I didn't see it anyplace and I think it ought to appear someplace.

THE COURT: Uh-huh.

THE WITNESS: I'm sorry, but I don't understand your question. I'll be glad to answer whatever --

MR. STEELE: My question is this: What type of liquidation did you have?

A It is my understanding it was a taxable liquidation. It was intended to be a taxable liquidation and it was so reported on my tax returns by the people that prepared them. And it was so audited as part of this matter. I think the Revenue Agent's Report will indicate that. It was my understanding that the liquidation of the corporation was a taxable liquidation.

Q And it occurred on --

A December 31, 1969.

Q So, it might have been -- it might have been in the 1969 return?

A Sir, I don't know.

THE COURT: I would assume that that's where it would have belonged.

MR. STEELE: All right. Thank you. That's all.

MR. COSTELLO: That's all, Mr. Byrne.

THE COURT: Mr. Costello?

MR. COSTELLO: Nothing further, Your Honor.

THE COURT: Thank you, Mr. Byrne.

THE WITNESS: Thank you, Judge.

(Witness excused)

THE COURT: Any further witnesses, Mr. Costello?

MR. COSTELLO: No. Petitioner rests, if the Court please.

THE COURT: Any witnesses, Mr. Steele?

MR. STEELE: None, Your Honor.

THE COURT: Let the record show again that it's reserved to the petitioner to argue on brief his question of the burden of proof on the theory that the respondent shifted his grounds, if that should become significant. 55 days for original briefs; 30 days for reply. Simultaneous original briefs. The Clerk will announce the dates.

THE CLERK: Opening briefs will be due May 15, 1975. And the reply briefs will be due June 16, 1975.

THE COURT: Thank you very much, gentlemen.

MR. COSTELLO: Thank you, Your Honor.

MR. STEELE: Thank you, Your Honor.

THE COURT: Well, is that all for the Courtroom this afternoon, Mr. Clerk?

THE CLERK: Yes, Your Honor.

THE COURT: All right. The Court stands in recess until 9:30 tomorrow morning. I have the conference in Chambers with counsel of that "Bicote"case. This is off the record.

(Whereupon a discussion was held off the record)

THE CLERK: Rise, please.

(Whereupon at 2:30 P.M., the case was adjourned as described above)

UNITED STATES TAX COURT

Certificate of Transcriber

Docket No. 3315-74
3316-74

Name: MATTHEW V. & ELVIRA C. BYRNE, et a

The foregoing pages, numbers 1 through 23 inclusive, are the true, accurate and complete transcript prepared from the verbal recording made by electronic recording by Dinah Zaigler on March 17, 1975 in the United States Tax Court located in Buffalo, New York, in accordance with the applicable provisions of the current reporting contract of the Court under which I have performed my duties as transcriber.

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